

**Plaintiff Lazare Kaplan International Inc.'s
Deposition Designations for Veerle Snyers
2/16/2016**

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 6 Ln: 20 - 24

Annotation:

6:20 Q. Okay. Good morning, Ms. Snyers.
21 My name is Chris Sullivan and I'm with
22 the law firm of Herrick Feinstein and
23 we represent the Plaintiff in this
24 case, Lazare Kaplan International.

Pg: 7 Ln: 11 - 14

Annotation:

7:11 Q. Are you employed by KBC Bank?
12 A. Yes.
13 Q. Where do you live?
14 A. In Belgium.

Pg: 8 Ln: 1 - 5

Annotation:

8: 1 Q. Do you speak and read English?
2 A. Yes.
3 Q. What other languages do you
4 speak and read?
5 A. Dutch, Flemish and French.

Pg: 9 Ln: 24 - Pg: 11 Ln: 11

Annotation:

9:24 Q. Okay. For convenience sake I'm
25 going to use a number of abbreviations
10: 1 in the course of deposition today. I'm
2 going to refer to Lazare Kaplan
3 International Inc. as Lazare; to
4 Antwerp Diamantbank as ADB; to the New
5 York office of ADB as ADB New York, to
6 KBC Bank NV as KBC and to the New York
7 branch of KBC as KBC New York, unless
8 either you or I specifies otherwise. Do
9 you understand that?
10 A. I do.
11 Q. And unless I specify otherwise
12 or you do, the relevant period of time
13 for all of my questions will be January
14 1, 2000 through December 31, 2010. Is
15 that clear?
16 A. Yes.
17 Q. What is your current job title
18 or position at KBC?
19 A. I think it's called now Special
20 Risk Officer.
21 Q. And what are your
22 responsibilities as Special Risk

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Pg: 9 Ln: 24 - Pg: 11 Ln: 11 continued...

Annotation:

10:23 Officer?
24 A. I deal with the credit files
25 that need or the bank thinks needs
11: 1 special attention and in that, doing
2 that I will be in contact with outside
3 counsel and things like that.
4 Q. When did you first start working
5 at KBC?
6 A. I start working at ADB in the --
7 I think the first of January, 2001.
8 Q. Okay. When did you first start
9 working at KBC?
10 A. It's -- the merger happened in
11 July, the 1st of July of this year.

Pg: 11 Ln: 21 - Pg: 13 Ln: 15

Annotation:

11:21 Q. And did I understand your
22 testimony correctly that you first
23 started working at ADB on January 1 --
24 A. August.
25 Q. Sorry. August --
12: 1 A. -- August 1 --
2 Q. August 1, 2001?
3 A. Yes..
4 Q. Okay. Prior to August 1, 2001
5 had you ever met or communicated with
6 any clients or customers of ADB?
7 A. Prior to me working at ADB?
8 Q. Yes.
9 A. If I would have had contact with
10 clients of ADB?
11 Q. Yes.
12 A. No.
13 Q. Do you have any firsthand
14 knowledge about the operations of ADB
15 prior to the time you started work at
16 ADB?
17 A. That question I do not
18 understand. You will have to repeat
19 that.
20 Q. What did you do prior to
21 starting work for ADB?
22 A. That's better question. Yeah. I
23 worked for another bank.
24 Q. What bank is that?
25 A. Sentia Bank.
13: 1 Q. Where is that bank located?
2 A. Also in Antwerp.

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Pg: 11 Ln: 21 - Pg: 13 Ln: 15 continued...

Annotation:

13: 3 Q. And what did you do for Sentia
4 Bank?
5 A. Then it was also -- let's say
6 they called it the dubious debtors
7 files, but it was so more, let's say,
8 people that had small business loans,
9 these things that were not repaid, I
10 would also try to recover the money,
11 yes.
12 Q. And did you interact at all with
13 Antwerp Diamond Bank, with ADB, while
14 you were working at Sentia Bank?
15 A. Not at all.

Pg: 17 Ln: 24 - Pg: 18 Ln: 6

Annotation:

17:24 Q. Did there come a time when you
25 learned that Lazare had filed a lawsuit
18: 1 in New York against ADB and KBC?
2 A. Yes.
3 Q. And when did you first learn of
4 the lawsuit?
5 A. I think it was around the 23rd
6 of December, 2011.

Pg: 23 Ln: 10 - Pg: 24 Ln: 15

Annotation:

23:10 Q. What is the highest level of
11 education that you've completed?
12 A. I went to law school.
13 Q. And where did you go to law
14 school?
15 A. In Antwerp.
16 Q. And in what year did you obtain
17 your degree?
18 A. If I remember it correctly it
19 would have been '99.
20 Q. 1999?
21 A. Yes.
22 Q. Do you hold any other degrees
23 besides your law school?
24 A. No.
25 MS. GREDD: You need to give a
24: 1 verbal answer.
2 THE WITNESS: No.
3 Q. Do you have any specialized
4 training or education in regard to
5 diamonds or diamond companies?

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Pg: 23 Ln: 10 - Pg: 24 Ln: 15 continued...

Annotation:

24: 6 A. No.
7 Q. Have you received any education
8 or training in the field of banking?
9 A. While doing the job you get
10 trained, I suppose.
11 Q. But you have no separate
12 education or training in the field of
13 banking, apart from your
14 learn-on-the-job experience?
15 A. No.

Pg: 24 Ln: 16 - 21

Annotation:

24:16 Q. Would you turn to Exhibit 115 in
17 binder 3, which is a copy of your April
18 4, 2012 Declaration?
19 (Plaintiff's Exhibit 115, was
20 received and marked on this date for
21 identification.)

Pg: 24 Ln: 16 - Pg: 27 Ln: 24

Annotation:

24:16 Q. Would you turn to Exhibit 115 in
17 binder 3, which is a copy of your April
18 4, 2012 Declaration?
19 (Plaintiff's Exhibit 115, was
20 received and marked on this date for
21 identification.)
22 Q. I'm going to ask you,
23 Ms. Snyers, do you recognize this
24 document?
25 A. First go to the last page. Yes.
25: 1 Q. Is that your signature on the
2 last page of the document?
3 A. Yes, it is.
4 Q. Is that a Declaration you signed
5 in connection with the lawsuit pending
6 in the United States District Court for
7 the Southern District of New York?
8 A. Yes, I did.
9 Q. And is the document accurate?
10 A. Yes, it is accurate. Although,
11 while reading through the document I
12 marked that there are references that
13 are not all correct, but can I go and
14 have a look at it in detail?
15 Q. Yes.
16 A. And there would also be some

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Pg: 24 Ln: 16 - Pg: 27 Ln: 24 continued...

Annotation:

25:17 paragraphs where, reading back, I would
18 maybe add something.
19 Q. Well, leave aside for the moment
20 adding your desire to add something to
21 the document.
22 A. Okay.
23 Q. I'm interested in whether there
24 are any corrections that you wish to
25 make to your sworn Declaration.
26: 1 A. Yes. Yes.
2 So first of all, I refer to
3 paragraph 6 and there are other
4 paragraphs that are on the same topic.
5 So it starts in 6 where it says "For
6 clients such as Lazare all loan
7 extensions of credit and decisions with
8 respect to its file were and are made
9 at Antwerp Bank's headquarters in
10 Antwerp."
11 Q. Is that not correct?
12 A. It is correct, but reading it
13 back, it is so that for some decisions
14 we would also need to go to the ECC,
15 which is a Credit Committee in
16 Brussels. So it's also referred at, I
17 think, paragraph 14, where it says at
18 the end "Antwerp Bank's Credit
19 Committee decided to terminate Lazare's
20 loan", and also in paragraph 15, where
21 it says Antwerp Bank's Credit Committee
22 in Belgium decided to terminate
23 Lazare's line of credit on 60 days
24 notice.
25 Q. And what about that those
27: 1 statements that you made in your
2 Declaration are you now stating is
3 inaccurate?
4 MS. GREDD: Objection to form.
5 A. I wouldn't say inaccurate
6 because the first decision or advice
7 would come from Antwerp Diamond Bank's
8 Credit Committee but it would have also
9 gone to KBC's committee.
10 Q. Which committee of KBC would
11 have been involved in the decision to
12 terminate Lazare's credit facility?
13 A. It's ECC. I don't know -- I
14 don't know really what that stands for.
15 I think it's -- I don't know.
16 Q. Is there anything else in your

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Pg: 24 Ln: 16 - Pg: 27 Ln: 24 continued...

Annotation:

27:17 Declaration that you now believe to be
18 inaccurate?
19 A. I didn't say it was inaccurate.
20 So I would say that it still is
21 accurate but I wanted to say that I
22 wanted to add some more detail. So
23 inaccurate is not really the accurate
24 word then.

Pg: 29 Ln: 14 - Pg: 30 Ln: 1

Annotation:

29:14 Q. Now, did I understand you
15 correctly that you began working at ADB
16 on August 1, 2001?
17 A. True.
18 Q. So you don't have any firsthand
19 knowledge of conversations or events
20 that took place prior to August 1,
21 2001. Is that correct?
22 MS. GREDD: Objection to form.
23 A. Events that took place prior to
24 2001?
25 Q. Regarding either ADB or Lazare.
30: 1 A. Correct.

Pg: 30 Ln: 25 - Pg: 32 Ln: 21

Annotation:

30:25 Q. Do you remember what records you
31: 1 reviewed in preparing this Declaration?
2 A. I would say the credit file of
3 Lazare Kaplan and also the client file
4 relating to the account opening and the
5 account of Lazare with the bank.
6 Q. And were the records that you
7 reviewed complete?
8 MS. GREDD: Objection to form.
9 A. I don't know, yeah.
10 Q. Was anything missing from the
11 records you reviewed?
12 MS. GREDD: Objection to form.
13 A. Not that I know, no.
14 Q. How do you know that nothing was
15 missing from the records?
16 MS. GREDD: Objection to form.
17 A. Because the credit file, I don't
18 know, it is what's in the credit file
19 and in the client file we are used to
20 seeing standard amount of documents.

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Pg: 30 Ln: 25 - Pg: 32 Ln: 21 continued...

Annotation:

31:21 Q. So as you're sitting here today,
22 do you know whether any of the
23 documents in the credit file that you
24 reviewed had been destroyed at the time
25 you reviewed it?
32: 1 MS. GREDD: Objection to form.
2 A. I don't know.
3 Q. So you don't know whether there
4 were documents in the file that might
5 have contradicted the statements in
6 your Declaration?
7 MS. GREDD: Objection to form.
8 Q. Is that correct?
9 A. Can you repeat the question,
10 please?
11 Q. You don't know whether there
12 were documents in the credit files that
13 you reviewed that might have
14 contradicted your --
15 A. No, because what I reviewed.
16 Q. -- your statements in the
17 Declaration?
18 MS. GREDD: You need to let him
19 finish asking the question.
20 A. Okay. So what I reviewed I did
21 review.

Pg: 32 Ln: 22 - Pg: 38 Ln: 3

Annotation:

32:22 Q. Now, would you turn to paragraph
23 30, page 10 of your sworn Declaration?
24 Do you see the statement that you wrote
25 that reads that you reviewed the
33: 1 Declaration of Walter Haeck and believe
2 it to be true and accurate? Do you see
3 that statement in your Declaration?
4 A. Yes.
5 Q. And is the Declaration of
6 Mr. Haeck to which you were referring
7 the Declaration dated April 4, 2012,
8 the same day as your Declaration?
9 A. I don't remember.
10 Q. Well, would you turn to Exhibit
11 tab 133 and tell us whether the
12 document there is the Declaration of
13 Mr. Haeck that you referred to in your
14 sworn Declaration?
15 A. 1 --
16 Q. 133.

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Pg: 32 Ln: 22 - Pg: 38 Ln: 3 continued...

Annotation:

33:17 (Plaintiff's Exhibit 133, was
18 received and marked on this date for
19 identification.)
20 Q. That Declaration is dated April
21 4, 2012 on the last page --
22 A. Yes.
23 Q. -- Ms. Snyers, and that is the
24 same date as your Declaration?
25 A. I see it, yes.
34: 1 Q. And is this the Declaration of
2 Mr. Haeck that you referred to in
3 paragraph 30 of your Declaration?
4 MS. GREDD: You'll need to give
5 the witness a moment to review.
6 (Whereupon, the Deponent reviews
7 the document.)
8 Q. Ms. Snyers?
9 A. A-huh.
10 Q. Have you completed your review
11 of Mr. Haeck's Declaration?
12 A. I read it.
13 Q. You've taken close to 10 minutes
14 to read it carefully?
15 A. I hope so. Yes.
16 Q. That is the five-page
17 Declaration submitted by Mr. Haeck,
18 dated April 4, 2012, correct?
19 A. Correct. Yes.
20 Q. And that is the Declaration that
21 you refer in your Declaration, you
22 refer to in your direction as true and
23 accurate?
24 MS. GREDD: Objection to form.
25 A. Right.
35: 1 Q. Now, tell us what you did to
2 satisfy yourself that Mr. Haeck's
3 Declaration was true and accurate when
4 you wrote that in your April 4, 2012
5 Declaration?
6 MS. GREDD: Objection to form.
7 Q. You can answer.
8 A. I don't remember.
9 Q. Well, did you discuss
10 Mr. Haeck's Declaration with him?
11 A. I don't remember.
12 Q. Who is Mr. Haeck, by the way?
13 A. I think he's -- I don't know
14 what his exact position is. I think
15 he's the head of the Legal Department
16 at KBC.

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Pg: 32 Ln: 22 - Pg: 38 Ln: 3 continued...

Annotation:

35:17 Q. Did you discuss Mr. Haeck's
18 Declaration with anyone else other than
19 counsel?
20 A. I don't remember.
21 Q. Did you review any documents to
22 verify the factual assertions in
23 Mr. Haeck's Declaration?
24 A. I really don't know.
25 Q. Did you verify his description
36: 1 in paragraphs 6 and 14 of the Services
2 Agreement?
3 A. What do you say? Can you repeat
4 the question, please?
5 Q. Directing your attention to
6 paragraph 6 of Mr. Haeck's Declaration,
7 do you see his reference to the
8 Services Agreement?
9 A. Does he reference the Services
10 Agreement?
11 MS. GREDD: Not in paragraph 6.
12 Q. Paragraph 6.
13 A. Paragraph 6, I don't see the
14 reference to the Service Agreement.
15 Q. Are you looking at --
16 MS. GREDD: Second line,
17 "Pursuant to a Service Agreement --"
18 THE WITNESS: Okay. Yes.
19 Q. Did you verify his description
20 of the Service Agreement in this
21 paragraph?
22 A. I don't think so. I don't
23 remember.
24 Q. And directing your attention to
25 paragraph 9 and 10 did you verify his
37: 1 description of KBC's contacts with
2 Lazare as de minimus?
3 A. Can you repeat the question,
4 please?
5 Q. Did you verify Mr. Haeck's
6 statement in his Declaration --
7 A. I don't remember.
8 Q. You don't recall?
9 A. No.
10 Q. Did you verify his statement
11 that virtually all of KBC's documents
12 relevant to Lazare's claims are in
13 Belgium? No quote to that, by the way.
14 MS. GREDD: Objection to form.
15 Q. I'll rephrase it.
16 Did you verify his statement

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Pg: 32 Ln: 22 - Pg: 38 Ln: 3 continued...

Annotation:

37:17 that virtually all of KBC's documents
18 relevant to Lazare's claims in its
19 lawsuit are located in Belgium?
20 MS. GREDD: Objection to form.
21 A. I don't remember, really.
22 Q. But your comfortable, as you sit
23 here today, that his Declaration is
24 true and accurate?
25 MS. GREDD: Objection to form.
38: 1 Q. That's your testimony?
2 MS. GREDD: Objection to form.
3 A. Yes.

Pg: 38 Ln: 14 - 20

Annotation:

38:14 Q. Do you see that? Is there a
15 reason why you didn't state in your
16 April 4, 2012 Declaration that it was
17 not based on your firsthand knowledge?
18 MS. GREDD: Objection to form.
19 A. I don't think there is any
20 reason for that, no.

Pg: 41 Ln: 10 - 24

Annotation:

41:10 Q. So did you ever, in the course
11 of your employment at ADB, help a
12 client set up a bank account at the
13 bank?
14 A. Help a client set up a bank
15 account?
16 Q. Yes.
17 A. Personally?
18 Q. Yes. You, personally.
19 A. No.
20 Q. Did you ever discuss with a
21 client its working capital needs?
22 A. Me?
23 Q. Yes. You, personally.
24 A. No.

Pg: 44 Ln: 20 - Pg: 45 Ln: 24

Annotation:

44:20 Q. And did you do so in connection
21 with the Lazare credit facility, did
22 you prepare any of the loan
23 documentation that was used in

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Pg: 44 Ln: 20 - Pg: 45 Ln: 24 continued...

Annotation:

44:24 connection with the Lazare credit
25 facility?
45: 1 A. I don't know if the term
2 "prepare" would be the right term but I
3 was indeed there to, yeah, look at it
4 and formulate questions or remarks,
5 yes.
6 Q. And do you recall with whom you
7 interacted in connection with the work
8 you did regarding the Lazare credit
9 facility? Who did you speak to? Who
10 did you deal with at the bank?
11 A. With the bank with regard to
12 preparation of the documentation?
13 Q. Yes.
14 A. It's always Antwerp the people
15 at the administrative secretary, our
16 administrative department within the
17 credit department.
18 Q. And who were the people
19 specifically that you dealt with
20 regarding the Lazare credit facility?
21 A. Yeah, that I don't remember
22 because some come and some go, some
23 retire. So it could have been
24 different people.

Pg: 46 Ln: 18 - Pg: 47 Ln: 22

Annotation:

46:18 Q. Has ADB ever sued a client in
19 the United States?
20 A. ADB?
21 Q. ADB.
22 A. Yes.
23 Q. On how many occasions has it
24 done so?
25 A. That I don't know.
47: 1 Q. Well, do you know how many
2 clients ADB has sued in the United
3 States?
4 A. No.
5 Q. Do you know how many clients of
6 the New York office ADB has sued in
7 Belgium?
8 A. Clients of the New York office?
9 That's impossible. Everybody is a
10 client of Antwerp Diamond Bank in
11 Antwerp, of course yes.
12 Q. We'll come back to that. But

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Pg: 46 Ln: 18 - Pg: 47 Ln: 22 continued...

Annotation:

47:13 how many clients of ADB has ADB sued in
14 Belgium?
15 A. I would think from personal
16 knowledge, one.
17 Q. Lazare Kaplan?
18 A. Yes.
19 Q. And that's the only client of
20 ADB that --
21 A. As far as I know, with the files
22 I deal with, yes.

Pg: 55 Ln: 25 - Pg: 58 Ln: 5

Annotation:

55:25 Q. Do you know whether it was
56: 1 necessary to obtain the approval of KBC
2 in order to make certain kinds of loans
3 necessary for ADB to obtain the
4 approval of KBC in order to make
5 certain kinds of loans?
6 A. To grant credit facilities?
7 Q. For example.
8 A. Possibly yes, if they go above a
9 certain amount. I don't know exactly.
10 Q. Well, what's the basis of your
11 testimony "Possibly yes, if they go
12 above a certain amount"? Is there a
13 document that states that?
14 A. There are documents that indeed
15 set out the delegation rules, yes.
16 Q. Those are the IKB documents?
17 A. Yes.
18 Q. Are there any other documents?
19 A. I don't know.
20 Q. Well, but you do -- you do know
21 there was a limit on the amount of
22 money that ADB could loan to any one
23 customer or customer group? Is that
24 fair to state?
25 A. No. That is a wrong statement.
57: 1 Q. Okay. Why is that a wrong
2 statement?
3 A. Because it's incorrect.
4 Q. How is it incorrect?
5 A. It's that ADB would be able to
6 grant the facility, but maybe it needed
7 approval or a decision of KBC that it
8 was confirmed, yes.
9 Q. And you don't recall the size of
10 credit facility that required the

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Pg: 55 Ln: 25 - Pg: 58 Ln: 5 continued...

Annotation:

57:11 approval of KBC?
12 A. I'm there -- normally I step in
13 when the file is not performing well.
14 So I'm not there when the credit
15 facilities are granted. So, no, I
16 don't know exactly.
17 Q. Well, do you know whether ADB
18 needed the approval of KBC to grant the
19 Lazare credit facility?
20 A. I don't know.
21 Q. You weren't working at the bank
22 at the time?
23 A. No.
24 Q. I see. How about to terminate
25 the credit facility? Did KBC
58: 1 participate in the decision by ABD to
2 terminate the Lazare credit facility?
3 A. It was on advice of the Credit
4 Committee of ADB and indeed approved
5 the decision by KBC, yes.

Pg: 62 Ln: 1 - Pg: 68 Ln: 23

Annotation:

62: 1 Q. Did KBC guarantee loans made by
2 ADB in excess of ADB's lending limits?
3 A. Yes.
4 Q. Did KBC guarantee any of the
5 loans made by ADB to Lazare under the
6 credit facility?
7 A. Can you repeat that question?
8 Q. Did KBC guarantee any of the
9 loans made by ADB --
10 A. No.
11 Q. -- to Lazare under its credit
12 facility?
13 A. No.
14 Q. Were those loans in excess of
15 ADB's lending limits at any time?
16 MS. GREDD: Objection to form.
17 A. I don't know.
18 Q. Is the guarantee by KBC that you
19 described a moment ago set forth in
20 writing anywhere?
21 MS. GREDD: Objection to form.
22 A. I don't know. I don't know
23 anything about this.
24 Q. Well, you do know that KBC
25 guaranteed ADB loans in excess of --
63: 1 A. Yes, a certain --

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Pg: 62 Ln: 1 - Pg: 68 Ln: 23 continued...

Annotation:

63: 2 MS. GREDD: Objection to form.
3 A. -- a certain lending limit, yes,
4 but I don't know anything more than
5 that.
6 Q. Do you know whether KBC
7 guaranteed lines of credit or loans to
8 any customers other than Lazare?
9 A. I don't know.
10 Q. Do you know whether anyone at
11 ADB ever informed Lazare of the KBC
12 guarantee?
13 MS. GREDD: Objection to form.
14 A. I don't know.
15 MR. SULLIVAN: About 10 minutes
16 we'll take a break, if that's okay with
17 everyone?
18 Q. Will you turn to Exhibit 31 in
19 the first binder that says zero to
20 something?
21 THE WITNESS: Which document?
22 MS. GREDD: Tab 31.
23 Q. In particular, page 5, lower
24 right-hand corner.
25 A. Page 5?
64: 1 Q. Page 5 of that exhibit, yes. Do
2 you see the statement in the first
3 paragraph at the top of the page that
4 reads, "In accordance with the
5 conditions of Article 113, Section 2
6 the Antwerp Diamond Bank states that
7 its commitments and those of all its
8 subsidiaries included in the
9 consolidation are guaranteed by its
10 shareholder KBC Bank NV"?
11 A. Yes. I see that, yes.
12 Q. Were you aware prior to today
13 that commitments of ADB and its
14 subsidiaries were guaranteed by KBC?
15 MS. GREDD: Objection to form.
16 A. No.
17 Q. Would you look at 44, in Exhibit
18 44 in this same binder? I'll represent
19 to you this document is not in English.
20 A. Yes, I see.
21 MS. GREDD: I'll represent to
22 you I agree.
23 Q. Am I correct that the subject
24 line of this document says in English
25 "KBC guarantees"?
65: 1 A. Yes, it does.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 62 Ln: 1 - Pg: 68 Ln: 23 continued...

Annotation:

65: 2 Q. Can you tell me in English what
3 the text of the document says up to and
4 including where it says "Lazare Kaplan
5 Groep"?
6 A. I have to translate it to you or
7 what?
8 Q. Yes. I'm asking you to translate
9 it to me.
10 A. Literally or --
11 Q. Up to -- well, I want you to
12 tell me truthfully what it says up to
13 the words "Lazare Kaplan Groep",
14 G-r-o-e-p.
15 MS. GREDD: Objection to form.
16 A. So I will translate.
17 Q. Your best effort, if you would,
18 Ms. Snyers.
19 A. Yes. Colleagues, as you know,
20 KBC gives a guarantee for all the
21 limits above our lending limit.
22 Actually, that is fixed at or set at, I
23 don't know, and then the amount in euro
24 you can read yourself. We have to do a
25 monthly. We have to do -- we have to
66: 1 give a monthly overview to KBC of all
2 decided and withdrawn credit facilities
3 about this limit. Furthermore, there
4 are two other guarantees decided -- I
5 don't know how to translate that --
6 capital moment of making it
7 operational. Client -- the clients that
8 would fall under this -- under this --
9 I would say -- this scope are, and then
10 it is Lazare Kaplan Groep.
11 Q. You stated before that no
12 portion of the Lazare credit facility
13 was guaranteed by KBC. Does this
14 document?
15 A. I said that I didn't know.
16 Q. Okay. Does this document suggest
17 to you that KBC did, in fact, guarantee
18 loans under the Lazare credit facility?
19 MS. GREDD: Objection to form.
20 A. Can you repeat that question,
21 please?
22 Q. Does this document indicate to
23 you --
24 A. Yes.
25 Q. -- that KBC did, in fact,
67: 1 guarantee loans to Lazare under the

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 62 Ln: 1 - Pg: 68 Ln: 23 continued...

Annotation:

67: 2 Lazare credit facility?
3 MS. GREDD: Objection to form.
4 A. I see the name Lazare Kaplan
5 Groep, yes, with the account numbers of
6 Lazare Kaplan and Lazare Kaplan
7 Belgium, yes.
8 Q. So apart from this document, do
9 you have any independent recollection
10 of whether KBC, in fact, guaranteed any
11 portion of the Lazare credit facility?
12 MS. GREDD: Objection to form.
13 A. I have no recollection, no.
14 Q. Would you turn to Exhibit 54,
15 which I think is in your second binder?
16 It's the last document in the first
17 binder. Sorry about that.
18 Do you recognize this document?
19 A. Yes.
20 Q. Do you see the reference in the
21 third paragraph from the bottom that
22 begins "LKB"? Third line, do you see
23 the reference to "an internal guarantee
24 arrangement between KBC and ADB"?
25 A. No, I don't. Where are you?
68: 1 Q. I'm in the third paragraph from
2 the bottom, going up.
3 A. Where it says "KBC"?
4 Q. Yes. Third line, do you see the
5 reference to "internal guarantee
6 arrangement between KBC and ADB"?
7 A. I see it, yes.
8 Q. Do you know what that reference
9 refers to?
10 A. No, because I was not the writer
11 of this memo.
12 Q. Have you ever seen this memo
13 before?
14 A. I think I was the one who has
15 produced it, produced it in the
16 production, I mean.
17 Q. Does that mean that the document
18 was located in your files?
19 MS. GREDD: Objection to form.
20 A. In my personal files or in the
21 credit file?
22 Q. Either.
23 A. Yes.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 69 Ln: 23 - Pg: 70 Ln: 20

Annotation:

69:23 Q. How involved was KBC in the
24 decision to terminate the Lazare credit
25 facility?
70: 1 A. I think it was just the normal
2 procedure that was followed.
3 Q. And can you describe that
4 procedure to us?
5 A. I already told you, so we would
6 go with a memo to our local Credit
7 Committee, it would advise and then it
8 would be sent to KBC -- to the ECC to
9 decide.
10 Q. Was there any one or particular
11 person at KBC that was recommending
12 that the Lazare credit facility be
13 terminated?
14 A. I don't know.
15 Q. Do you recall who at KBC was
16 involved, who, specifically, in the
17 decision to terminate the Lazare credit
18 facility?
19 A. You refer then to the ECC
20 decision. No, I don't know.

Pg: 74 Ln: 12 - Pg: 75 Ln: 11

Annotation:

74:12 Q. As a general matter was ADB free
13 to reject the legal advice provided by
14 the KBC group Legal Department?
15 MS. GREDD: Objection to form.
16 Q. Did ADB --
17 A. Can I say -- you talk a bit too
18 speedy for me. So, yeah.
19 Q. Was ADB required to follow the
20 advice or direction given by the KBC
21 group Legal Department?
22 MS. GREDD: Objection to form.
23 A. I think it would be in
24 consultation with ADB advice, yes.
25 Q. Can you think of any situation
75: 1 in which ADB ever refused to follow the
2 advice given by the KBC group Legal
3 Department?
4 MS. GREDD: Objection to form.
5 A. I don't know.
6 Q. You can't think of a single
7 situation?
8 MS. GREDD: Objection to form.
9 Q. You have to answer. You can't

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 74 Ln: 12 - Pg: 75 Ln: 11 continued...

Annotation:

75:10 make a verbal gesture.
11 A. No. I can't, no.

Pg: 75 Ln: 12 - Pg: 78 Ln: 4

Annotation:

75:12 Q. The answer is no. Have you ever
13 met, apart from today, any of the
14 officers or directors of Lazare?
15 A. Yes. I did meet them before,
16 yes.
17 Q. And which of the officers and
18 directors have you met before?
19 A. All three that are sitting here,
20 yes.
21 Q. And when did you meet them for
22 the first time?
23 A. I think it would be during the
24 course of 2009.
25 Q. Prior to 2009 you had never met
76: 1 any of the officers or directors of
2 Lazare. Is that correct?
3 A. Not that I remember, no.
4 Q. And in what connection did you
5 meet officers and directors of Lazare
6 in 2009?
7 A. Because there was growing
8 concern in the bank related to the
9 financial situation of Lazare. So we
10 would meet to discuss the concerns of
11 the bank.
12 Q. And prior to those meetings had
13 you ever spoken or communicated in
14 writing with any of the officers or
15 directors of Lazare, you, personally?
16 A. Me, personally, directly?
17 Q. Yes.
18 A. I don't think so.
19 Q. You don't know one way or
20 another?
21 A. I cannot remember. I'm writing
22 a lot of things so for the moment I
23 would say I don't think so, no.
24 Q. Do you recall when you first
25 spoke to Mr. Moryto, who is sitting to
77: 1 my right?
2 A. No. I don't recall, no.
3 Q. Is it -- is it your testimony
4 that you met him for the first time in
5 2009?

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

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Pg: 75 Ln: 12 - Pg: 78 Ln: 4 continued...

Annotation:

77: 6 A. As far as I recall, yes.
7 Q. Can you think of any
8 communication that you had with
9 Mr. Moryto prior to 2009?
10 A. Direct communication?
11 Q. Yes.
12 A. No.
13 Q. When you met with or met the
14 officers and directors of Lazare for
15 the first time were the discussions
16 conducted in English?
17 A. I would think so, yes.
18 Q. Do you know whether any of
19 Lazare's officers and directors read
20 Dutch or Flemish?
21 A. I don't think they do.
22 Q. So is it fair to say that you,
23 personally, have no firsthand knowledge
24 of anything that Mr. Moryto said prior
25 to the time you met him for the first
78: 1 time in 2009?
2 MS. GREDD: Objection to form.
3 A. There could not be personal
4 knowledge, of course.

Pg: 97 Ln: 16 - Pg: 100 Ln: 9

Annotation:

97:16 Q. Are you aware or were you aware
17 in November, 2001 that Lazare had
18 opened a bank account at the New York
19 branch of KBC?
20 A. If I was aware of it in
21 November, 2001?
22 Q. Yes.
23 A. No.
24 Q. When did you first become aware
25 that Lazare had opened a bank account
98: 1 at the New York branch of KBC?
2 A. I think it was only in 2012.
3 Q. 2012?
4 A. Yes.
5 Q. Do you know whether Lazare made
6 active use of its bank accounts at the
7 New York branch of KBC?
8 MS. GREDD: Objection to form.
9 A. If I know?
10 Q. Yes.
11 A. Personally?
12 Q. Yes.

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Pg: 97 Ln: 16 - Pg: 100 Ln: 9 continued...

Annotation:

98:13 A. No.
14 Q. Do you have any idea of the
15 amount of money that passed through
16 that bank account during the relevant
17 period of time?
18 MS. GREDD: Objection to form.
19 A. An idea? I know that it's
20 mentioned in Mr. Moryto's Declaration.
21 I read it.
22 Q. Apart from Mr. Moryto's
23 Declaration, do you have any
24 independent knowledge?
25 A. No.
99: 1 Q. Would you take a look at Exhibit
2 117, which is the third binder?
3 A. 117?
4 Q. 1-1-7.
5 (Plaintiff's Exhibit 117, was
6 received and marked on this date for
7 identification.)
8 THE WITNESS: 1-1-7?
9 MS. GREDD: 1-1-7, reply
10 Declaration.
11 Q. By the way, just going back a
12 moment to your prior testimony, when in
13 2012 did you first learn that Lazare
14 had opened a bank account at the New
15 York branch of KBC?
16 A. After I had read Mr. Moryto's
17 Declaration.
18 Q. Is that before or after you
19 signed your Declarations in 2012, the
20 sworn Declarations that you submitted
21 in this lawsuit?
22 A. It was after. He replied to my
23 Declarations.
24 MS. GREDD: Objection. You said
25 Declarations in 2012. Were you
100: 1 referring to the first Declaration
2 April 4th, 2012?
3 MR. SULLIVAN: Well, actually
4 I'm referring to both Declarations that
5 the witness submitted, but since we've
6 only addressed one of them at the
7 moment let's use the first one.
8 A. I referred to the first one,
9 yes.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

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Pg: 104 Ln: 3 - 23

Annotation:

104: 3 Q. Would you look at Exhibit 55 in
4 binder 2, please? Do you recognize this
5 document?
6 A. Yes, I do.
7 Q. Do you see the date of May 31,
8 2001 on the document?
9 A. Yes, I do.
10 Q. Okay. So the document is dated
11 prior to the time you began working at
12 ADB. Is that correct?
13 A. That's correct, yes.
14 Q. And do you understand this
15 document to pertain to the bank account
16 that Lazare was in the process of
17 opening at KBC New York in May of 2001?
18 A. You mean that it's related to
19 the intention of Lazare Kaplan to open
20 the zero balance account at KBC New
21 York?
22 Q. Yes.
23 A. Yes.

Pg: 106 Ln: 7 - Pg: 107 Ln: 5

Annotation:

106: 7 Q. Do you know where the original
8 of this document is located?
9 A. Yeah. At KBC.
10 Q. Have you ever seen the original
11 of this document?
12 A. Me, personally?
13 Q. A-hum.
14 A. No.
15 Q. Do you know why ADB did not
16 produce a copy of this document in this
17 lawsuit?
18 MS. GREDD: Objection to form.
19 A. Because it's not -- it's not
20 part of our client file, no.
21 Q. It's not part -- when you say
22 it's not part of your client file, you
23 mean ADB's client file?
24 A. Yes.
25 Q. Do you consider this document to
107: 1 be a KBC document then?
2 MS. GREDD: Objection to form.
3 A. It has indeed to do with routing
4 transactions through the KBC New York
5 account. So, yes.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 108 Ln: 21 - Pg: 109 Ln: 13

Annotation:

108:21 Q. Did Lazare need to sign this
22 document in order to use its bank
23 account in KBC New York?
24 MS. GREDD: Objection on form.
25 A. To start using the zero balance
109: 1 account, I think so, yes.
2 Q. What is the basis of your
3 testimony based on? On what do you
4 believe it was necessary?
5 A. I think it's, as far as I'm not
6 mistaken, mentioned in the Service
7 Level Agreement between ADB and KBC New
8 York.
9 Q. Anything besides -- any other
10 document besides the Service Agreement
11 provide a basis for your testimony?
12 A. For the moment that is the first
13 thing I think of, yes.

Pg: 113 Ln: 1 - Pg: 115 Ln: 20

Annotation:

113: 1 Q. Would you turn to Exhibits 84
2 and 85 in this same binder? Do you
3 recognize the first page of this
4 exhibit?
5 A. Is there more than one?
6 Q. Just the first page in 84.
7 A. There are more pages? Do I
8 recognize the document?
9 Q. This first document. Yes.
10 A. I might have seen it before. I
11 don't know exactly.
12 Q. Do you see in the second
13 paragraph, the sentence that reads "A
14 simpler solution is that LKB send the
15 site payment to LKI and then the
16 payment is immediately forwarded to the
17 DTC." Do you see that sentence?
18 A. I see the sentence, yes.
19 Q. Did you ever discuss with
20 Philippe Loral the transaction referred
21 to or transactions referred to in this
22 e-mail?
23 A. Not that I recall of, no.
24 Q. Did you ever discuss with anyone
25 at ADB, the transactions referred to in
114: 1 this e-mail?
2 A. To discuss the transactions?
3 Q. Yes.

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Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 113 Ln: 1 - Pg: 115 Ln: 20 continued...

Annotation:

114: 4 A. Not that I recall, no.
5 Q. And do you know whether the
6 books and records of ADB reflect the
7 transactions described in this e-mail
8 as having been made by LKB or Lazare?
9 MS. GREDD: Objection to form.
10 A. It's -- first, it's a
11 transaction that happened in two steps,
12 if I understand correctly.
13 Q. Okay. And what are those two
14 steps?
15 A. First it would -- if I read it
16 correctly, it would have been payment
17 from the LKB account to the LKI account
18 and then it would be LKI which would
19 execute the payment towards DTC.
20 Q. Is it correct then that the
21 transactions were structured as
22 internal transfers between LKB and
23 Lazare?
24 MS. GREDD: Objection to form.
25 A. Do you mean how it is registered
115: 1 in the bank?
2 Q. A-hum. Yes.
3 A. I don't know what the
4 transaction is called in bank terms.
5 Q. Well, is it your understanding
6 that the transaction was effectuated as
7 an internal transfer from Lazare Kaplan
8 Belgium to Lazare?
9 MS. GREDD: Objection to form.
10 A. It will have been, let's say --
11 it would have created a debit amount in
12 the account with LKB and on the other
13 side, the credit of the same amount in
14 the LKI account and afterwards, again,
15 a debit in the LKI account when they
16 pay to DTC.
17 Q. And who set up that arrangement?
18 Was it Mr. Loral?
19 MS. GREDD: Objection to form.
20 A. I cannot say.

Pg: 116 Ln: 7 - 20

Annotation:

116: 7 Q. According to your understanding
8 of the arrangement, if LKB pledged the
9 diamonds that were purchased in 2008
10 under the transactions you've just

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Transcript: [10/19/2015] Snyers, Veerle

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Pg: 116 Ln: 7 - 20 continued...

Annotation:

116:11 described, would ADB consider those
12 transactions to have been entered into
13 by LKB or Lazare?
14 MS. GREDD: Objection to form.
15 A. I cannot answer that question
16 because, first of all, I don't know if
17 the pledge ever happened. I don't know
18 any details of the transaction and I
19 don't even know what the understanding
20 was in the bank, so...

Pg: 118 Ln: 6 - Pg: 119 Ln: 6

Annotation:

118: 6 Q. By the way, did you ask
7 Mr. Loral what arrangements he made
8 with Lazare for the processing of the
9 transactions that took place in 2008?
10 MS. GREDD: Objection. Asked and
11 answered.
12 Q. You can answer?
13 A. What was the question?
14 Q. Did you ask Philippe Loral --
15 A. Me?
16 Q. You, personally, what
17 arrangement he made with Lazare in
18 regard to the transactions in 2008?
19 A. No. No.
20 Q. And do you know whether Lazare
21 authorized the direct use of its ADB
22 credit facility for those transactions?
23 MS. GREDD: Objection to form.
24 Q. Do you, yourself, know whether
25 Lazare ever authorized the direct use?
119: 1 A. I don't know.
2 Q. You don't know one way or
3 another?
4 A. I see that transactions were
5 performed and executed in the account,
6 but...

Pg: 130 Ln: 6 - Pg: 131 Ln: 20

Annotation:

130: 6 Q. Plaintiff's Exhibit 55 that we
7 were discussing earlier --
8 A. The routing instruction, if it
9 says explicitly that it's a zero
10 balance account?
11 Q. Yes. Is there anything in this

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

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Pg: 130 Ln: 6 - Pg: 131 Ln: 20 continued...

Annotation:

130:12 document that indicates that Lazare's
13 bank account at KBC New York would be
14 used as a zero balance account?
15 MS. GREDD: Objection to form.
16 A. But the statement shows it.
17 Q. I'm asking about this document,
18 Plaintiff's 55.
19 A. Then I will have another look at
20 it.
21 Q. Please.
22 A. It's another binder then.
23 Q. It's Exhibit 52.
24 A. I think so, yes.
25 Q. What words are you referring to?
131: 1 A. It says that, okay, "shall be
2 effectuated through our account with
3 KBC and shall result in a same day
4 debit and credit to our loan balance
5 with Antwerp Diamond Bank", which was
6 at all times the main account. So that
7 obviously shows it.
8 Q. Shows what?
9 A. That the transactions would
10 route through the KBC account as part
11 of, let's say, an accommodation, an
12 administrative arrangement, I don't
13 know how you would call it, but that it
14 would generate these debits and credits
15 to the loan balance in Antwerp, yes.
16 Q. And that indicates to you that
17 the bank account at KBC New York would
18 be used as a zero balance account?
19 MS. GREDD: Objection to form.
20 A. According to me, yes.

Pg: 137 Ln: 9 - Pg: 139 Ln: 11

Annotation:

137: 9 Q. Turn to Exhibit tab 50? Have you
10 seen the document in tab 50 before,
11 Ms. Snyers?
12 A. I think so, yes.
13 Q. And directing your attention to
14 the third page, the last page of the
15 exhibit, do you see the column entitled
16 "bank statements (yes/no/NA)?"
17 A. I see it, yes.
18 Q. What does NA stand for in this
19 document?
20 MS. GREDD: Objection to form.

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Transcript: [10/19/2015] Snyers, Veerle

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Pg: 137 Ln: 9 - Pg: 139 Ln: 11 continued...

Annotation:

137:21 A. I must say, I don't know because
22 I didn't draft the document, but I
23 would read it as "not applicable" or --
24 Q. Okay. And what is the entry
25 underneath the column "bank statements"
138: 1 that's noted?
2 A. What do you mean?
3 Q. What was the answer to
4 "yes/no/not applicable" that's
5 reflected in this document?
6 MS. GREDD: Objection to form.
7 A. For whom? I have to turn the
8 page?
9 Q. You can look at the last page,
10 page 3. By looking at this document --
11 A. By looking at the document I
12 don't see anything.
13 Q. You don't see N/A in the column
14 under bank statements?
15 A. Bank statement it says
16 "yes/no/NA", not applicable.
17 Q. And dropping down to the line
18 that's indicated on the third page --
19 A. I think you will have to come
20 and show me because I --
21 Q. Your lawyer will --
22 THE WITNESS: Okay.
23 MS. GREDD: Line 27.
24 A. And it says "not applicable"?
25 Q. Yes.
139: 1 A. It says "not applicable", yes.
2 Q. Would you look at Exhibit 51,
3 please?
4 A. Yes.
5 Q. Do you recognize that document?
6 A. Yes, I do.
7 Q. What is it?
8 A. It's an account activity report
9 or bank statement issued by ADB
10 concerning Lazare Kaplan's account with
11 the bank.

Pg: 142 Ln: 10 - Pg: 145 Ln: 16

Annotation:

142:10 Q. Is that the Service Agreement
11 referred to Mr. Haeck's Declaration?
12 MS. GREDD: Objection to form.
13 A. I don't know.
14 Q. Well, do you know what this

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Pg: 142 Ln: 10 - Pg: 145 Ln: 16 continued...

Annotation:

142:15 document is?
16 A. It says "Agreement with respect
17 to the delivery of operational banking
18 services."
19 Q. And what is the date of the
20 agreement?
21 A. October 15, '99.
22 Q. And who is the agreement
23 between?
24 A. Between Antwerp Diamond Bank
25 head office and KBC Bank New York
143: 1 branch.
2 Q. Have you ever seen this document
3 before?
4 A. I will have a closer look at it.
5 Q. It's two pages.
6 A. Yes, I will just -- yes, I did.
7 Q. And I ask you again, is this the
8 Service Agreement or is this document
9 known as the Service Agreement or
10 Service Level Agreement between KBC,
11 New York and Antwerp Diamond Bank, ADB?
12 MS. GREDD: Objection to form.
13 A. Are you asking me if this is the
14 same Service Level Agreement as the one
15 as Mr. Haeck refers at in 6?
16 Q. Yes.
17 A. I don't think so.
18 Q. You don't think so?
19 A. I don't know. Maybe there are
20 other Service Agreements. I don't know.
21 Q. Let me ask you that question.
22 Are there other Service Agreements
23 between KBC's New York branch and ADB?
24 A. Possibly, yes.
25 Q. And what is the basis of your
144: 1 testimony?
2 A. I think I saw copies.
3 Q. You saw copies of what?
4 A. Of other Service Agreements.
5 Q. What is a Service Agreement, by
6 the way?
7 A. I suppose an agreement that sets
8 out a service will be conducted between
9 the two parties.
10 Q. So do you see in Mr. Haeck's
11 Declaration, which is Exhibit 133 --
12 A. A-hum.
13 Q. -- where he writes, "Pursuant to
14 that agreement the branch in New York

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Veerle Snyers 2/16/2016

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Depo Designation

Pg: 142 Ln: 10 - Pg: 145 Ln: 16 continued...

Annotation:

144:15 clears U.S. dollar denominated
16 transactions for Antwerp Diamond Bank."
17 A. Yes. I see it. Yes.
18 Q. Do you understand that sentence
19 to refer to one agreement or more than
20 one agreement?
21 A. I don't know. I don't have all
22 the agreements in front of me, so it's
23 difficult to say.
24 Q. And to your knowledge, did the
25 branch of KBC in New York clear U.S.
145: 1 dollar denominated transactions for ADB
2 during the --
3 A. To my knowledge?
4 Q. -- during the relevant period of
5 time?
6 A. I don't know.
7 Q. You don't know one way or
8 another?
9 A. My personal knowledge, no.
10 Q. Do you know whether ADB produced
11 more than one Service Agreement in the
12 course of this litigation?
13 A. If we produced it?
14 Q. To Lazare.
15 A. I must say, I don't know. We
16 have produced so many papers.

Pg: 152 Ln: 2 - 25

Annotation:

152: 2 Q. So if a diamond client like
3 Lazare wanted to make a payment of
4 funds out of its account at KBC New
5 York how would it go about doing so?
6 MS. GREDD: Objection to form.
7 A. If it wanted to draw on the
8 facility with ADB, you mean --
9 Q. If it wants to pay a third party
10 for diamonds --
11 A. Yes.
12 Q. -- according to your
13 understanding of this agreement, how
14 would it go about doing so?
15 A. Reading only this paragraph?
16 Q. Any understanding that you have.
17 A. The understanding that I have is
18 that if they -- if clients as Lazare
19 wanted to do payments through their KBC
20 account they would send payment

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Pg: 152 Ln: 2 - 25 continued...

Annotation:

152:21 instructions to KBC, who would then do
22 the payment and then would -- KBC would
23 obtain the same day the funds from ADB
24 and then it would be entered as a debit
25 in the ADB head office account.

Pg: 155 Ln: 11 - Pg: 156 Ln: 7

Annotation:

155:11 Q. Do you understand what a SWIFT
12 communication is?
13 A. I've heard of it, yes.
14 Q. And what have you heard?
15 A. Yeah, it's -- I don't know the
16 specifics but it's, let's say, SWIFT
17 messages between banks, yes.
18 Q. And do you recognize that the
19 type of message that's described in
20 this third "Whereas" clause, MT 900 and
21 MT 910 messages?
22 A. I don't know what that means,
23 no. I know that the code refers to
24 something but I don't know what.
25 Q. Okay. Do you understand these
156: 1 types of messages to be -- to involve
2 the transfer of monies or to be a
3 different kind of communication between
4 the banks?
5 A. I told you that I have no
6 knowledge of these things. So, I don't
7 know.

Pg: 157 Ln: 19 - Pg: 158 Ln: 13

Annotation:

157:19 Q. And directing your attention to
20 the last "Whereas" clause that reads
21 "ADB agrees to open a pooling account
22 with KBC to fund the payments
23 effectuated by KBC on behalf of the
24 diamond clients", do you know what a
25 pooling account is?
158: 1 A. No.
2 Q. Do you know whether ADB opened a
3 pooling account at the New York branch
4 of KBC during the relevant period of
5 time?
6 A. If it did?
7 Q. Yes.
8 A. I don't know it says here

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Pg: 157 Ln: 19 - Pg: 158 Ln: 13 continued...

Annotation:

158: 9 "agrees to open." I don't know if it's
10 effective.
11 Q. Have you ever heard the term
12 pooling account before?
13 A. No.

Pg: 159 Ln: 9 - Pg: 161 Ln: 1

Annotation:

159: 9 Q. Did KBC effectuate the local and
10 international payments made by diamond
11 clients of ADB through their accounts
12 at KBC New York, Ms. Snyers?
13 A. Yes.
14 Q. What does it mean to effectuate
15 the payment?
16 A. Yeah, but funds were --
17 Q. I'm sorry. What does it mean to
18 effectuate the payment?
19 A. Do the payment.
20 Q. Okay. KBC did the payment. Where
21 did the funds that KBC used to do the
22 payment come from, according to your
23 understanding of this agreement?
24 A. They obtained the funds the same
25 day from ADB.
160: 1 Q. Before they obtained the funds,
2 did they use their own funds --
3 A. I don't know.
4 Q. You have to let me finish.
5 Before they obtained the funds
6 from ADB did they use their own funds
7 to "do the payments"?
8 MS. GREDD: Objection to form.
9 A. That, I don't know.
10 Q. Is it your understanding that
11 after doing the payments they then
12 obtained the funds or reimbursement of
13 the funds from Antwerp Diamond Bank?
14 MS. GREDD: Objection to form.
15 A. Reimbursement, the funds would
16 be obtained from ADB the same day.
17 Yes, that's what I said.
18 Q. Does ADB send funds from Belgium
19 to KBC New York following KBC's doing
20 the payments referred to in this
21 document?
22 A. I don't know --
23 MS. GREDD: Objection to form.
24 A. -- how it's -- it operationally

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Pg: 159 Ln: 9 - Pg: 161 Ln: 1 continued...

Annotation:

160:25 works, so that I cannot answer the
161: 1 question of --

Pg: 161 Ln: 2 - 7

Annotation:

161: 2 Q. Do you know what a book transfer
3 is?
4 A. I know it's -- it's a wording
5 that is of some type of transaction in
6 your account, but I could not say what
7 kind of transaction.

Pg: 161 Ln: 8 - Pg: 164 Ln: 20

Annotation:

161: 8 Q. Do you know what a correspondent
9 bank account is?
10 A. No.
11 Q. Do you know what a correspondent
12 bank is?
13 A. No.
14 Q. Well, how did you know that
15 Mr. Haeck's Declaration was true and
16 accurate, and in particular, his
17 statement in paragraph 6 that "KBC's
18 New York branch acts as a correspondent
19 bank for Antwerp Bank pursuant to a
20 Service Agreement"?
21 MS. GREDD: Objection to form.
22 Q. If you don't know what a
23 correspondent bank is --
24 MS. GREDD: Objection to form.
25 A. I would think from Mr. Haeck
162: 1 from the Legal Department of KBC would
2 know what that meant, yes.
3 Q. So when you wrote in your sworn
4 Declaration that Mr. Haeck's
5 Declaration is true and accurate, were
6 you just assuming that it was?
7 MS. GREDD: Objection to form.
8 A. Assuming? No. No. I went
9 through it, yes.
10 Q. You went through it?
11 A. Yes.
12 Q. On your way through his
13 Declaration when you got to the
14 sentence in paragraph 6 that says
15 "KBC's New York branch acts as a
16 correspondent bank for Antwerp Bank

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Pg: 161 Ln: 8 - Pg: 164 Ln: 20 continued...

Annotation:

162:17 pursuant to a Service Agreement," what
18 did you do if you didn't know what a
19 correspondent bank was?
20 A. I didn't do anything.
21 Q. You didn't ask anybody what a
22 correspondent bank was?
23 A. I don't think so, no.
24 Q. But you're aware this
25 Declaration that you signed was
163: 1 submitted to the United States District
2 Court for use in a litigation?
3 A. I do know, yes.
4 Q. And you stated in that
5 Declaration Mr. Haeck's Declaration was
6 true and accurate?
7 MS. GREDD: Objection to form.
8 Q. Correct?
9 A. Yes.
10 Q. And you didn't indicate in your
11 Declaration that you did not have
12 firsthand knowledge of all of the facts
13 described in that Declaration?
14 A. I didn't say that I had
15 firsthand knowledge, did I?
16 Q. No. That's my question to you.
17 You did not do so?
18 A. What did I say in my
19 Declaration? And I have to look up the
20 exact wording what my statement was on
21 Walter Haeck's Declaration.
22 Q. Do you know how much -- do you
23 know how many bank accounts ADB had at
24 the New York branch of KBC during the
25 relevant period of time?
164: 1 A. How many accounts ADB had --
2 Q. -- at the New York branch of
3 KBC?
4 A. No.
5 Q. Do you know whether they had any
6 accounts at the New York branch of KBC?
7 A. Personal knowledge?
8 Q. Yes.
9 A. No.
10 Q. Have you ever heard in the
11 course of your work at ADB that ADB
12 maintained a bank account of some kind
13 at the New York branch of KBC?
14 A. Yes.
15 Q. Okay. What have you heard?
16 A. That they had a bank account. As

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Pg: 161 Ln: 8 - Pg: 164 Ln: 20 continued...

Annotation:

164:17 I say, these operational things are not
18 really my first duty, so I say that I
19 have the knowledge but I am not a
20 specialist.

Pg: 165 Ln: 12 - 14

Annotation:

165:12 Q. Do you have an understanding of
13 how clearing works?
14 A. No.

Pg: 170 Ln: 2 - Pg: 171 Ln: 2

Annotation:

170: 2 Q. I'll ask you the question, if I
3 may.
4 A. Yes.
5 Q. Are you familiar with the
6 Clearinghouse Interbank Payment System?
7 A. No.
8 Q. Sometimes known as CHIPS?
9 A. No.
10 Q. Do you know -- have you ever
11 heard that CHIPS is a fund transfer
12 system that transmits and settles
13 payment orders in U.S. dollars?
14 A. I have to disappoint you. No.
15 Q. Do you know how banks move or
16 transmit -- transfer U.S. dollars
17 around the world?
18 A. No.
19 Q. Do you have any understanding at
20 all?
21 A. No.
22 Q. Have you ever heard that dollar
23 denominated transactions must pass
24 through New York or the United States?
25 A. I tell you, you are in a section
171: 1 where I totally am not a specialist, so
2 I will say no.

Pg: 171 Ln: 9 - 22

Annotation:

171: 9 Q. Are most diamond transactions
10 done in U.S. dollars?
11 A. As far as I know?
12 Q. Yes.
13 A. Yes.

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Pg: 171 Ln: 9 - 22 continued...

Annotation:

171:14 Q. And were the diamond
15 transactions of ADB's clients or
16 customers in U.S. dollars?
17 A. Were?
18 Q. Yes.
19 A. Or are?
20 Q. Were during the relevant period
21 of time?
22 A. I should think so, yes.

Pg: 171 Ln: 23 - Pg: 172 Ln: 5

Annotation:

171:23 Q. And to your knowledge, was ADB
24 able to execute transactions in U.S.
25 dollars on behalf of its customers
172: 1 itself or did it need to use a
2 different bank or third party?
3 A. I don't know.
4 Q. You have no idea?
5 A. No idea.

Pg: 179 Ln: 15 - 19

Annotation:

179:15 Q. Okay. And flipping forward to
16 Exhibit 63 --
17 A. 63?
18 Q. Two exhibits forward.
19 A. Yes.

Pg: 182 Ln: 9 - 14

Annotation:

182: 9 Q. And turning to the next page of
10 the exhibit?
11 A. Next page? Yes.
12 Q. This is the, what you described
13 earlier, as an ADB bank statement?
14 A. Yes.

Pg: 183 Ln: 10 - Pg: 185 Ln: 16

Annotation:

183:10 Q. Okay. Who is the payment -- who
11 is the recipient of the payment
12 described in this document, by
13 reference to the document, can you
14 tell?
15 A. By looking at the document?

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Pg: 183 Ln: 10 - Pg: 185 Ln: 16 continued...

Annotation:

183:16 Q. Yes.
17 A. No.
18 Q. Can you tell where the money
19 went?
20 A. From looking to the document?
21 Q. Yes.
22 A. Because there is a possibility
23 to know but by looking to the document,
24 no.
25 Q. Can you tell what the
184: 1 transaction was that resulted in the
2 entries in the document?
3 A. By just looking to the document?
4 Q. Yes.
5 A. No.
6 Q. Is there anything in this
7 document that would allow a customer to
8 confirm or verify the transaction that
9 resulted in these entries by looking at
10 the document?
11 A. Yeah, but if I -- if you do --
12 if you are doing withdrawals under your
13 facility, I suppose there are other
14 documents that you will put next to the
15 bank statement.
16 Q. But this document, by itself, is
17 not sufficient for a customer to
18 confirm or verify the transaction that
19 resulted in these entries, correct?
20 A. I think it shows that the
21 transaction was done and the amount,
22 yes.
23 Q. Does this show what the
24 transaction was?
25 A. It shows that's a payment
185: 1 because it's a minus, so you will have
2 paid someone. If you are asking me if
3 the document mentions the name of the
4 party receiving the payment? No.
5 Q. So again, I ask you, is there
6 anything in this document that would
7 allow a customer to confirm or verify a
8 transaction it engaged it?
9 A. You verify -- you see that there
10 is -- you see there is a reference, a
11 description and you see that your
12 account is debited. So that's -- that
13 should be sufficient for a client to
14 put together with other papers that
15 allows to define what the payment was.

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Pg: 183 Ln: 10 - Pg: 185 Ln: 16 continued...

Annotation:

185:16 Yes.

Pg: 186 Ln: 8 - Pg: 188 Ln: 17

Annotation:

186: 8 Q. So do I understand your
9 testimony correctly, Ms. Snyers, that a
10 client like Lazare that wished to
11 confirm or verify a transaction would
12 review what you call a bank statement
13 or account statement from ADB along
14 with the KBC transfer form and the KBC
15 bank statement that are contained in
16 Exhibit 63?

17 A. No. That is not what I said.

18 Q. Okay. Tell me --

19 A. I said if you are an
20 accountholder as Lazare Kaplan, that
21 this should be sufficient. Could it be
22 more detailed? Is that your question to
23 me? Personally, yes, it could, but as
24 it is, I think it should be sufficient.
25 That's my testimony. Yes.

187: 1 Q. You think this page, by itself,
2 is sufficient to allow a customer of
3 ADB to confirm or verify a transaction?

4 A. Verify a transaction, yes, yes.

5 Q. And confirm it?

6 A. "Confirm?" What do you mean by
7 "confirm"?

8 Q. Well, what do you understand
9 "confirm" to mean?

10 A. I don't know. You tell me.

11 Q. I'm asking for your
12 understanding.

13 A. I think it's -- it shows that
14 you did a payment and that it was
15 debited from your account and that your
16 debit balance increases and if the
17 question is, is it obvious from this
18 document to whom the payment went? Then
19 I say no.

20 Q. Okay. So is it your
21 understanding that the purpose of this
22 document is for confirmation or
23 verification of customer transactions
24 under the credit facility?

25 MS. GREDD: Objection to form.

188: 1 Q. Is that the purpose of this page
2 that you described as an ADB statement?

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Pg: 186 Ln: 8 - Pg: 188 Ln: 17 continued...

Annotation:

188: 3 A. I don't know --
4 MS. GREDD: Objection to form.
5 A. -- I don't know what the client
6 does with the statement. It's just to
7 give an overview of the activity, that
8 is why we call it an account activity
9 report. I don't know what our clients
10 do with their statement.
11 Q. I'm asking you what the bank's
12 purpose is in sending this document to
13 clients?
14 A. So that you have an overview of
15 all debit and credit transactions in
16 your account. That's what we call
17 activity report.

Pg: 188 Ln: 18 - Pg: 189 Ln: 13

Annotation:

188:18 Q. Let's go back to the Service
19 Level Agreements in Exhibit 57.
20 I asked you earlier about how
21 ADB funded the payments made by KBC
22 pursuant to this agreement and correct
23 me if I misstate your testimony, you
24 didn't understand the specifics, but
25 you believed that ADB does, in fact,
189: 1 fund those payments. Is that a fair
2 summary of your testimony?
3 A. I don't know how operationally
4 it works, but as we said, indeed, with
5 withdrawals under the credit facility
6 with ADB. So, yes.
7 Q. How did ADB go about funding
8 those payments when the bank in Belgium
9 was closed?
10 A. I told you, that's the
11 operational side of the -- of the -- of
12 the whole setup, which I don't know
13 what.

Pg: 190 Ln: 3 - 8

Annotation:

190: 3 Q. And do you have any
4 understanding of how KBC New York and
5 ADB reconciled the payments that KBC
6 funded through the KBC New York bank
7 account?
8 A. No, I don't.

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Pg: 190 Ln: 9 - Pg: 191 Ln: 21

Annotation:

190: 9 Q. Do you have any firsthand
10 knowledge how KBC operated what you
11 call Lazare's zero balance account in
12 New York?
13 A. No.
14 Q. And dropping down to paragraph 2
15 on page 1 of Exhibit 57 --
16 A. The Service Level Agreement?
17 Q. Yes.
18 A. Yeah.
19 Q. Do you see the words that read
20 "KBC will accept and registrate all
21 incoming funds via the customary
22 channels, CHIPS, Fedwire, book
23 transfer, etcetera, in favor of the
24 diamond clients."
25 A. Yes.
191: 1 Q. What do you understand the
2 sentence to mean?
3 A. I cannot give any opinion about
4 it because I don't know how it works.
5 So I would give an opinion that could
6 be completely wrong. So it will not
7 help anyone, so...
8 Q. Well, by reference to the
9 document and based on your --
10 A. Yeah, but it's so technical,
11 this issue, that I'm totally not a
12 specialist, so --
13 Q. You have no understanding
14 whatsoever what this document means?
15 MS. GREDD: Objection to form.
16 A. I do know in general what it
17 means but how it in detail functioned
18 and operated, I already told you I
19 think 20 times. So I don't think my
20 opinion or how I read it will
21 contribute to the --

Pg: 194 Ln: 23 - Pg: 196 Ln: 4

Annotation:

194:23 Q. Do you know how Lazare went
24 about repaying the monies it borrowed
25 under its credit facility from ADB? Do
195: 1 you know how that -- how those
2 repayments were effectuated?
3 A. Technically?
4 Q. The procedure, yes.
5 A. No, I don't know.

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Pg: 194 Ln: 23 - Pg: 196 Ln: 4 continued...

Annotation:

195: 6 Q. Well, do you know what the
7 procedure in this agreement is with
8 respect to funds deposited into the
9 Lazare KBC New York bank account? What
10 happens to the monies after they're
11 received into the bank account?
12 A. At the end of the day they would
13 have been automatically transferred to
14 the ADB account that the client has
15 connected to its credit facility
16 because the end balance and the
17 beginning balance is always zero.
18 Q. And is that account located in
19 Belgium?
20 A. Which account?
21 Q. The -- you said the account the
22 client has --
23 A. In connection with the credit
24 facility?
25 Q. Yes.
196: 1 A. It's in Antwerp, yes.
2 Q. And can you explain how?
3 A. The technicalities behind it,
4 no, I already told you.

Pg: 196 Ln: 14 - Pg: 203 Ln: 4

Annotation:

196:14 Q. Ms. Snyers, let me return your
15 attention to your June 14, 2012
16 Declaration in Exhibit 117, which is
17 the big binder in front of you. In
18 particular to paragraph 11 H of your
19 Declaration.
20 A. Yes.
21 Q. Okay. Directing your attention
22 to the last sentence in paragraph H
23 where you wrote "In addition, because
24 the account at KBC NY is a zero balance
25 account any funds transferred into the
197: 1 KBC NY account are automatically
2 credited to or swept into the
3 customer's bank account at Antwerp Bank
4 at the end of the day."
5 Do you see where you wrote that?
6 A. I see it, yes.
7 Q. Do you believe that your
8 explanation in this paragraph is
9 consistent with the Service Level
10 Agreement?

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Pg: 196 Ln: 14 - Pg: 203 Ln: 4 continued...

Annotation:

197:11 A. I think so, yes.
12 Q. And is the reason that you do
13 not refer to the pooling account in
14 your Declaration that you never heard
15 of the pooling account at the time you
16 wrote your Declaration?
17 MS. GREDD: Objection to form.
18 A. I never heard of it and it would
19 have been of -- yeah, I never heard of
20 it, yes.
21 Q. And that's why you didn't make
22 any reference to it in your sworn
23 Declaration?
24 A. I suppose it was also of not any
25 importance.
198: 1 Q. Not of importance, okay. Can you
2 explain the procedure in this sentence,
3 in which funds are, as you put it,
4 automatically credited to or swept into
5 a customer's bank accounts at Antwerp
6 Bank?
7 A. What do you want me to say about
8 that?
9 Q. What does it mean?
10 A. That it's automatically
11 transferred.
12 Q. Sorry. Go ahead.
13 A. It's okay.
14 Q. Well, explain how U.S. dollars
15 can be swept into an account in
16 Belgium?
17 MS. GREDD: Objection to form.
18 A. I said -- I said it was an
19 automatic transfer and then you come
20 again to the technicalities of how it
21 happens, to which I already said before
22 that I don't know the technicalities,
23 so...
24 Q. So if I understand you
25 correctly, you don't understand what is
199: 1 involved in sweeping funds from the KBC
2 New York account to a bank account in
3 Belgium?
4 A. No. You said how it works, I
5 said it's an automatic transfer. So
6 that, because we are still referencing
7 the zero balance account, so that the
8 balance at the end of the day would be
9 zero.
10 Q. I'm sure you will agree with me,

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Pg: 196 Ln: 14 - Pg: 203 Ln: 4 continued...

Annotation:

199:11 Ms. Snyers, it doesn't happen by magic,
12 you state in your sworn Declaration the
13 funds transferred into the KBC New York
14 account are credited to or swept into a
15 bank account in Belgium. I'm asking you
16 how that happens, what did you mean
17 when you wrote that?
18 MS. GREDD: Objection to form.
19 A. I explained to you I mean it is
20 automatically transferred, a transfer.
21 That's what I mean.
22 Q. Does money move, do actual
23 dollars move from New York to Belgium,
24 according to your understanding of the
25 procedure in the Services Agreement?
200: 1 MS. GREDD: Objection to form.
2 A. I think a transfer is what it
3 is, it's servicing money from one to
4 the other. So it's not with -- the
5 money has to go somewhere, so into an
6 account.
7 Q. So is the answer to my question,
8 do dollars move from New York to
9 Belgium? Yes, no or you don't know?
10 MS. GREDD: Objection to form.
11 A. I say they don't move to
12 Belgium, it's automatic transfer from
13 one account to another account.
14 Q. It's a book transfer or an
15 accounting entry --
16 MS. GREDD: Objection to form.
17 Q. -- is that your testimony?
18 A. I told you before that the
19 technicalities and the way or the
20 transfer how it's described, I don't
21 know how it's described or what the
22 exact term of that is, yes.
23 Q. And directing your attention
24 back to the Service Level Agreement in
25 Plaintiff's Exhibit 57, book no. 2 --
201: 1 A. Yes.
2 Q. -- paragraph 3, second page?
3 A. Second page?
4 Q. Second page of a two-page
5 exhibit, see the sentence that says,
6 "Every day KBC clears the customer's
7 account via ADB's pooling under
8 agreement/advisement with the diamond
9 client."
10 Can you explain what that means?

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Pg: 196 Ln: 14 - Pg: 203 Ln: 4 continued...

Annotation:

201:11 A. No. I already told you I don't
12 know anything about these specific
13 items.
14 Q. Second sentence, "Credit
15 positions on the diamond client's
16 account are transferred to the pooling
17 account as well." Any idea what that
18 means?
19 A. I should repeat myself?
20 Q. If necessary.
21 A. I will then. No.
22 Q. No, you have no idea what that
23 means?
24 MS. GREDD: Objection to form.
25 A. How it technically goes,
202: 1 transfers, I told you that -- I told
2 you before break and I will tell you
3 now, I don't know this.
4 Q. What do you think credit
5 positions on the diamond client's
6 accounts refers to?
7 A. Credit positions?
8 Q. A-hum.
9 A. I would think it's a credit
10 balance.
11 Q. So would an example of a credit
12 balance then be money that is paid by a
13 customer into Lazare's bank accounts
14 KBC New York?
15 A. It could represent that, yes.
16 Q. And do you have any
17 understanding of what is meant by the
18 reference to transferring credit
19 positions to the pooling account?
20 A. No.
21 Q. And the next paragraph within
22 paragraph 3, do you see where it states
23 "If these clearing operations yield a
24 balance deficiency on the pooling
25 account, KBC NY will grant ADB an
203: 1 overnight placement on money market
2 rates on a best efforts basis."
3 Any idea what those words mean?
4 A. No.

Pg: 204 Ln: 1 - Pg: 209 Ln: 8

Annotation:

204: 1 Q. And would you turn to -- well,
2 let me ask you before we turn -- we're

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Pg: 204 Ln: 1 - Pg: 209 Ln: 8 continued...

Annotation:

204: 3 going to turn to 133 in a second in the
4 big binder, but with specific reference
5 to your June 14, 2012 Declaration, you
6 don't understand the operational basics
7 of how the arrangement described in the
8 Service Level Agreement worked, why did
9 you submit a sworn Declaration to the
10 Court describing --
11 A. I do think you need to know how
12 it operationally works to see that the
13 account is set up as a zero balance
14 account because it's shown, and that
15 you know that the account has a bank
16 account with ADB, as all our customers
17 have, if you have a credit facility. So
18 I don't think you need to know in
19 detail every step of the way to be able
20 to give a general overview or a general
21 insight in all this account works.
22 That's my opinion.
23 Q. Did you write your June 14, 2012
24 Declaration?
25 A. If I --
205: 1 MS. GREDD: Objection to form.
2 A. Did I write it myself?
3 Q. Yes.
4 A. No.
5 Q. Who wrote it?
6 A. I will have a look at it. Which
7 it was?
8 Q. It's Plaintiff's Exhibit 117.
9 A. I think it will have been Helen.
10 Q. You're referring to Ms. Gredd?
11 A. Yes.
12 Q. Did you review the document
13 before you signed it?
14 A. Yes, I did.
15 Q. Did you understand what you read
16 when you reviewed the document?
17 A. What I read? Yes.
18 Q. And do you believe it to be
19 true?
20 A. Yes.
21 Q. And would you turn to
22 Plaintiff's Exhibit 133 in the big
23 binder, which is Mr. Haeck's
24 Declaration, his first Declaration, and
25 directing your attention to paragraph
206: 1 7, page 2 of Mr. Haeck's Declaration,
2 do you see where he wrote, "Except for

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Pg: 204 Ln: 1 - Pg: 209 Ln: 8 continued...

Annotation:

206: 3 a small number of documents relating to
4 routine clearance procedures all
5 materials relating to KBC U.S. dollar
6 clearance transactions are located in
7 Belgium."
8 A. A-hum.
9 Q. What are the routine clearance
10 procedures that Mr. Haeck is describing
11 in his April 4, 2012 Declaration?
12 A. I don't know.
13 Q. Well, why did you certify that
14 the Declaration was true and correct if
15 you don't know what he means?
16 MS. GREDD: Objection to form.
17 A. I don't remember.
18 Q. You don't remember why you
19 certified that his Declaration was true
20 and correct?
21 MS. GREDD: Objection to form.
22 A. Because I -- because I believed
23 it was true at the time that I declared
24 that.
25 Q. And what was the basis for your
207: 1 belief that it was true?
2 A. I still -- I referred already to
3 that, so I will be repetitive again,
4 yeah. I know Walter Haeck and I know
5 his position, so I read the document
6 and I attested it was true, so...
7 Q. And at the time you read the
8 document and attested that it was true
9 did you understand what he meant in
10 paragraph 7 by "routine clearance
11 procedures"?
12 MS. GREDD: Objection to form.
13 A. I just answered that question,
14 no. But I will tell you again, no.
15 Q. And is it really true that all
16 materials relating to KBC U.S. dollar
17 clearance transactions are located in
18 Belgium?
19 A. I told you I don't know.
20 Q. You don't know if that's true or
21 not true?
22 A. It will be true.
23 Q. Did you say it will be true?
24 A. I will say I -- I said I don't
25 know.
208: 1 Q. And directing your attention to
2 paragraph 8 of Mr. Haeck's Declaration,

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Pg: 204 Ln: 1 - Pg: 209 Ln: 8 continued...

Annotation:

208: 3 do you see where he writes in the third
4 sentence, "Although certain officers of
5 KBC sit on Antwerp Bank's Board of
6 Directors in such capacity those
7 individuals act on behalf of and owe
8 fiduciary duties to Antwerp Bank, not
9 KBC."
10 Do you know what officers of KBC
11 sit on Antwerp Bank at the Board of
12 Directors? Do you know who the
13 individuals are, what their names are?
14 A. I don't know the names but I
15 know it changes over time.
16 Q. Do you agree with Mr. Haeck,
17 that those KBC officers who sit on
18 ADB's Board of Directors owe fiduciary
19 duties to ADB not to KBC?
20 MS. GREDD: Objection to form.
21 A. If the Board of Directors is
22 referred to what is in Dutch, yes.
23 Q. You agree with Mr. Haeck?
24 A. Yes.
25 Q. And do you think maybe the point
209: 1 of KBC officers sitting on ADB's Board
2 of Directors is to protect KBC's
3 interest?
4 MS. GREDD: Objection to form.
5 A. I have totally no insight in how
6 it is structured and what is the
7 meaning of their presence there. I
8 don't know.

Pg: 211 Ln: 16 - Pg: 215 Ln: 11

Annotation:

211:16 Q. Would you look at paragraph 9 of
17 Mr. Haeck's Declaration?
18 A. Yes.
19 Q. Do you see where he states "KBC
20 has de minimus business dealings with
21 Lazare, or its subsidiary Lazare Kaplan
22 Belgium."
23 A. Yes.
24 Q. Is that an accurate description
25 in your view of the extent of KBC's
212: 1 business dealings with Lazare, de
2 minimus?
3 MS. GREDD: Objection to form.
4 A. Yes.
5 Q. And do you see the reference at

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Pg: 211 Ln: 16 - Pg: 215 Ln: 11 continued...

Annotation:

212: 6 the end of the paragraph to "such
7 transactions cleared through Antwerp
8 Bank's account at KBC's New York
9 branch"?
10 A. A-huh.
11 Q. Do you know what account
12 Mr. Haeck is referring to?
13 A. I think I already answered that
14 question also a bit before, but I will
15 tell you, no.
16 Q. Well, does that indicate -- does
17 that statement by Mr. Haeck, which in a
18 Declaration that you represented to the
19 United States District Court was true
20 and accurate, does that reference to
21 ADB's account at KBC's New York branch
22 refresh your recollection at all as to
23 whether ADB had an account of any kind
24 at KBC New York?
25 MS. GREDD: Objection to form.
213: 1 A. I don't know.
2 Q. You don't have a view one way or
3 another?
4 MS. GREDD: Objection to form.
5 A. No. I think you like me to have
6 a view but I don't have a view, no.
7 Q. Well, when you signed this --
8 A. I didn't sign this.
9 Q. Let me finish.
10 When you signed your
11 Declaration --
12 A. Yes.
13 Q. -- in which you represented to
14 the United States District Court that
15 Mr. Haeck's Declaration was true and
16 accurate did you ask anyone what this
17 reference to ADB's account at KBC New
18 York referred to?
19 MS. GREDD: Objection to form.
20 A. I don't remember but I would say
21 no.
22 Q. Do you know where the business
23 records that reflect the payments made
24 by KBC New York on behalf of Lazare are
25 maintained?
214: 1 A. What is the question?
2 Q. Do you know where the --
3 A. Business records?
4 Q. -- bank records reflecting the
5 payments made by KBC New York on behalf

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Pg: 211 Ln: 16 - Pg: 215 Ln: 11 continued...

Annotation:

214: 6 of Lazare through Lazare's KBC's bank
7 account, do you know where those
8 records are maintained?
9 MS. GREDD: Objection to form.
10 A. Are you referring to transfers
11 through the zero balance account?
12 Q. Let's start with that.
13 A. Start with that. I don't know.
14 Q. Do you consider those records to
15 be clerical records or more than
16 clerical records?
17 MS. GREDD: Objection to form.
18 A. I don't understand the word
19 "clerical".
20 Q. What kind of record would ADB
21 maintain with respect to either
22 payments out of Lazare's bank accounts
23 at KBC New York or payments into
24 Lazare's bank account at KBC New York?
25 A. Which documentation we would --
215: 1 Q. Yes.
2 A. No.
3 Q. No idea?
4 A. No.
5 Q. Do you know which documentation
6 KBC New York would maintain with
7 respect to either payments into
8 Lazare's account or payments out of
9 Lazare's account?
10 MS. GREDD: Objection to form.
11 A. No.

Pg: 215 Ln: 12 - 23

Annotation:

215:12 Q. Would you look at Exhibit 56,
13 right before the Service Level
14 Agreement in binder 2?
15 Do you recognize this document?
16 A. I think I do, yes.
17 Q. It appears to be a letter sent
18 by Philippe Loral to Greg Boston at KBC
19 New York branch?
20 A. It appears so, yes.
21 Q. And it's dated September 4,
22 2000?
23 A. Yes.

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Pg: 216 Ln: 3 - Pg: 222 Ln: 5

Annotation:

216: 3 Do you know what this letter is
4 about?
5 A. I read in the title SLA from
6 October 15, 1999, "KBC Bank New York
7 branch ADB practical organization."
8 Q. And do you understand that title
9 to refer to the Service Level Agreement
10 that's contained in Plaintiff's Exhibit
11 57?
12 A. Yes.
13 Q. And this letter then is
14 approximately a year, give or take,
15 after the date of the Service Level
16 Agreement. Is that correct?
17 A. Yes.
18 Q. And when did you see this
19 document for the first time?
20 A. When?
21 Q. When.
22 A. I don't remember.
23 Q. Did you see it prior to -- prior
24 to your preparation for today's
25 deposition?
217: 1 A. Yes, I did.
2 Q. Can you give me an approximate
3 year in which you saw this document?
4 A. I would think 2012.
5 Q. And how did you come to see the
6 document?
7 A. I think we -- I think I obtained
8 it because I asked for it.
9 Q. Who did you ask?
10 A. The person? I think it was -- we
11 obtained it through KBC New York but
12 exact person, I don't know.
13 Q. Why did you ask to see the
14 document?
15 A. It was after Mr. Moryto's --
16 reading Mr. Moryto's Declaration that
17 we asked for these documents.
18 Q. Who is the "we" that you are
19 referring to?
20 A. Me. Me.
21 Q. Your testimony is you asked
22 somebody at KBC. Was it KBC New York?
23 A. KBC New York, I said, yes.
24 Q. And you asked to see this
25 particular document or did you ask for
218: 1 a category of documents?
2 A. I don't think I specified, but

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Pg: 216 Ln: 3 - Pg: 222 Ln: 5 continued...

Annotation:

218: 3 that I don't remember. I don't remember
4 how I phrased my request.
5 Q. And when you say you asked for
6 that document at or about the time --
7 well, did you ask for that document in
8 order to prepare a response to
9 Mr. Moryto's Declaration?
10 A. That I don't remember.
11 Q. Was there something in
12 Mr. Moryto's Declaration that you
13 wanted to respond to in some way?
14 A. Yes.
15 Q. What, in his Declaration, were
16 you looking to respond to?
17 A. I think it would have been the
18 Declaration that I would have
19 intentionally not mentioned the
20 existence of a KBC account in my prior
21 Declaration. Yes.
22 Q. And what is it that you asked
23 the person at KBC New York to provide
24 to you?
25 A. I already told you that I don't
219: 1 remember what I exactly asked or how
2 did I phrase my request.
3 Q. But you received from that
4 person a copy of this document. Is
5 that correct?
6 A. In my recollection, yes.
7 Q. And did you refer to this
8 document in any Declaration that you
9 signed in response to Mr. Moryto's
10 Declaration?
11 A. As far as I know, specific
12 reference to this document? I would say
13 no, but then I have to go in detail
14 through my Declarations.
15 Q. Well, did this -- is there
16 something in this document that you
17 felt responded to Mr. Moryto's
18 Declaration?
19 A. Specific in this document?
20 Q. Yes.
21 A. But we were just -- because
22 Mr. Moryto, let's say, in his
23 Declaration was pointing out that he
24 only had a bank account at New York KBC
25 or that Lazare only had a bank account
220: 1 at KBC New York, we were investigating
2 that in general.

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Pg: 216 Ln: 3 - Pg: 222 Ln: 5 continued...

Annotation:

220: 3 Q. And the "we", again, is you?
4 A. Me. Yeah.
5 Q. And did you discuss this
6 document with anyone after you received
7 it?
8 MS. GREDD: Let me caution you
9 here, since we are in a time when there
10 was pending litigation, not to reveal
11 communications with counsel or
12 communications with other employees
13 that were part of the information
14 gathering process by counsel or at the
15 direction of counsel.
16 A. I don't even remember if I
17 discussed. I suppose, but...
18 Q. Did you ever discuss this
19 document with Philippe Loral?
20 A. No.
21 Q. Or with Greg Boston?
22 A. No.
23 Q. And do you understand what's
24 handwritten in the document?
25 MS. GREDD: Objection to form.
221: 1 A. Understand, it's again more in
2 detail saying how in the system of the
3 zero balance account would actually
4 work. So as you go to the
5 generalities, yes, but if you are going
6 to ask me questions about the details
7 and the operational things and my
8 answers will be -- will become again
9 that I don't know.
10 Q. Well, let's give it a try.
11 A. A try?
12 Q. Directing your attention to
13 paragraph 1 entitled "Startup".
14 A. Yes.
15 Q. Do you see where it's written
16 "Client signs a document in which he
17 gives the authorization to KBC NY and
18 Antwerp Diamantbank NV head office to
19 ABD HO to exchange accounts and credit
20 facility information concerning his
21 relations with both banks, etcetera. Do
22 you see where I'm reading from?
23 A. Yes.
24 Q. Do you know what the document
25 that the client signs under this
222: 1 provision of the letter is?
2 A. I would understand it as

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Pg: 216 Ln: 3 - Pg: 222 Ln: 5 continued...

Annotation:

222: 3 referring to the routing instruction.
 4 Q. Is that Plaintiff's Exhibit 55?
 5 A. Yes.

Pg: 228 Ln: 8 - 10

Annotation:

228: 8 Would you turn to Exhibit 49,
 9 which is your first binder?
 10 A. Yes.

Pg: 233 Ln: 17 - Pg: 234 Ln: 13

Annotation:

233:17 Q. And would you flip forward to
 18 the general conditions for banking
 19 operations that follow in this exhibit,
 20 the credit conditions?
 21 A. Okay. Yes.
 22 Q. And the second page of the
 23 banking conditions, Article 8, do you
 24 see the statement that reads "This
 25 statement of account is issued for
234: 1 confirmation and/or verification of the
 2 transaction"? Do you understand the
 3 statement of account referred to in
 4 Article 8 to be the --
 5 A. The bank statement or the
 6 account --
 7 Q. The documents that was included
 8 in Plaintiff's Exhibit 49.
 9 A. The activity report?
 10 Q. What you call an activity
 11 report, yes.
 12 A. Which is not an account. The
 13 bank statement, I would say yes.

Pg: 238 Ln: 14 - Pg: 241 Ln: 3

Annotation:

238:14 Q. Would you turn to Exhibit 115
 15 which is your big binder? 1-1-5. So
 16 this is your --
 17 A. Wait. I'm not there yet. Sorry.
 18 Q. Is this your April 4, 2012
 19 Declaration that you reviewed this
 20 morning, and directing your attention
 21 to paragraph 7?
 22 A. A-hum.
 23 Q. Do you see the last sentence

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Pg: 238 Ln: 14 - Pg: 241 Ln: 3 continued...

Annotation:

238:24 where you wrote, "In 2000 Lazare
 25 applied to Antwerp Bank for a line of
 239: 1 credit and in December, 2000 Lazare's
 2 credit line application was approved in
 3 Antwerp and Antwerp Bank opened an
 4 account in the name of Lazare." Do you
 5 see where you wrote that?
 6 A. Yes.
 7 Q. Again, you weren't working at
 8 ADB in December of 2000, correct?
 9 A. That's correct. Yes.
 10 Q. So you don't have any firsthand
 11 knowledge one way or another regarding
 12 what Lazare did in December of 2000,
 13 correct?
 14 MS. GREDD: Objection to form.
 15 A. This is a bit strange. I don't
 16 know when exactly it happened, but in
 17 our safes in the bank these documents
 18 do appear. It's not that the document
 19 doesn't exist.
 20 Q. No. I'm just asking if you have
 21 any firsthand knowledge of what Lazare
 22 did in December, 2000.
 23 MS. GREDD: Objection to form.
 24 A. Okay. But --
 25 Q. The answer is no?
 240: 1 A. No.
 2 Q. And what does it mean that
 3 Lazare applied for a line of credit?
 4 What kind of line of credit did Lazare
 5 apply for, to your understanding, in
 6 December, 2000?
 7 A. I don't have firsthand
 8 knowledge, of course.
 9 Q. So based on what you do know --
 10 A. What I do know, it's because it
 11 refers to credit confirmation, that as
 12 I said that do exist, it's an overdraft
 13 facility and credit account.
 14 Q. Did Lazare apply for a working
 15 line of credit?
 16 MS. GREDD: Objection to form.
 17 A. I don't know.
 18 Q. Do you know what a working line
 19 of credit is?
 20 MS. GREDD: Objection to form.
 21 A. No.
 22 Q. Working capital line of credit?
 23 MS. GREDD: Objection to form.

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Pg: 238 Ln: 14 - Pg: 241 Ln: 3 continued...

Annotation:

240:24 A. No.
25 Q. Have you ever heard of a working
241: 1 capital line of credit?
2 MS. GREDD: Objection to form.
3 A. No.

Pg: 241 Ln: 4 - Pg: 242 Ln: 23

Annotation:

241: 4 Q. And moving to paragraph -- sorry
5 -- tab 117 which is your reply
6 Declaration of --
7 A. 117?
8 Q. Yes. Of your reply Declaration
9 of June 14, 2012? Did we mark that as
10 an exhibit? We did.
11 A. Yes.
12 Q. And in particular, paragraph 3.
13 Do you see where you wrote, "Lazare was
14 required to open the Lazare Antwerp
15 Bank account in order to establish and
16 utilize a credit facility with Antwerp
17 Banks because as is the custom and
18 practice at Antwerp Bank, Lazare's
19 credit facility was structured as an
20 overdraft facility associated with the
21 bank account."
22 A. A-hum.
23 Q. And later on in paragraph 10 do
24 you see a reference there to "the
25 custom and practice of Antwerp Bank in
242: 1 extending credit"? Do you see that in
2 your Declaration?
3 A. Yes.
4 Q. So, is there a law of some kind
5 in Belgium that requires a borrower to
6 open a bank account in order to obtain
7 a loan?
8 A. I don't know of any loan but it
9 is the custom in the bank that you
10 cannot access your facility without
11 having a bank account.
12 Q. But you're not aware of any law
13 that requires that?
14 A. Of any law?
15 Q. Yes.
16 A. No.
17 Q. Is there a banking regulation of
18 any kind in Belgium that requires a
19 customer to open a bank account in

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Pg: 241 Ln: 4 - Pg: 242 Ln: 23 continued...

Annotation:

242:20 order to obtain a loan?
21 A. In general?
22 Q. Yes.
23 A. I don't know.

Pg: 244 Ln: 18 - Pg: 249 Ln: 1

Annotation:

244:18 Q. That is the basis. Okay. And did
19 anyone at ADB, to your knowledge, ever
20 explain to Lazare the bank's custom and
21 practice with respect to the need to
22 open Belgian bank account in connection
23 with the credit facility? And again, I
24 understand you weren't at the bank
25 prior to August of 2001, but to your
245: 1 knowledge?
2 A. I don't know of personal
3 knowledge but I see that all these
4 documents appear in our client files,
5 so that makes me believe that someone
6 would have asked to open the account,
7 yes. What they explained, that I don't
8 know, but the papers do exist.
9 Q. Apart from the existence of the
10 papers, do you have any --
11 A. I was not there at the time.
12 Q. Okay. Was it ADB's custom and
13 practice to require personal guarantees
14 from the principal owners of a
15 customer?
16 A. Can you repeat that question,
17 please?
18 Q. Was it ADB's custom and practice
19 to require personal guarantees from the
20 customer from the principal owners of a
21 customer?
22 A. As to what, a security for a
23 credit facility granted?
24 Q. Let's start with that.
25 A. So as a security for a credit
246: 1 facility that ADB is willing to grant?
2 Q. Yes.
3 A. That's normally the case, yes.
4 Q. And did ADB, in fact, require
5 personal guarantees from Lazare in
6 connection with the Lazare credit
7 facility?
8 A. I cannot say if we didn't
9 require. I only can say that we did

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Pg: 244 Ln: 18 - Pg: 249 Ln: 1 continued...

Annotation:

246:10 not obtain them, yes.
 11 Q. Was it ADB's custom and practice
 12 to require or obtain collateral in
 13 connection with loans that it made?
 14 A. Collateral?
 15 Q. Yes.
 16 A. Meaning? I think it's very
 17 vague, your question, so --
 18 Q. Do you know what collateral
 19 means?
 20 A. Collateral, yes.
 21 Q. So was it ADB's custom and
 22 practice to require collateral in
 23 connection with credit facilities
 24 extended to customers?
 25 A. I think you will -- I think you
 247: 1 will have to divide your question
 2 because as I think you know and the
 3 customer know there is a difference in
 4 granting credit facilities to customers
 5 located in Antwerp and customers
 6 located in New York because of the
 7 limits that you face with having a New
 8 York rep office, yes.
 9 Q. Well, let's stay with that for a
 10 second.
 11 A. Yes.
 12 Q. Did ADB obtain collateral in
 13 connection with the Lazare credit
 14 facility?
 15 MS. GREDD: Objection to form.
 16 Q. Was it an unsecured loan
 17 facility?
 18 A. It was an unsecured loan, yes.
 19 Q. So they did not obtain
 20 collateral. As a general rule, did ADB
 21 look to obtain collateral from diamond
 22 clients who borrowed money from the
 23 bank?
 24 MS. GREDD: Objection to form.
 25 A. But do you refer to the fact
 248: 1 that in Antwerp we finance specific
 2 transactions, is that what you refer
 3 at?
 4 Q. Well, you tell me.
 5 A. No. I'm asking to which question
 6 I have to answer, because it's not
 7 clear.
 8 Q. Is it your testimony that ADB
 9 requires collateral from clients in

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Pg: 244 Ln: 18 - Pg: 249 Ln: 1 continued...

Annotation:

248:10 Antwerp to whom it extends credit
11 facilities?
12 MS. GREDD: Objection to form.
13 A. It's part of the modalities and
14 it -- it depends on which client. So
15 it's depending, but yes.
16 Q. And with respect to clients in
17 New York does ADB require collateral?
18 A. According to my recollection,
19 it's based on a borrowing base, yes,
20 certificate.
21 Q. It's based on a Borrowing Base
22 Certificate? And do you consider a
23 Borrowing Base Certificate to be
24 collateral?
25 A. No, but then you see which
249: 1 transactions happen.

Pg: 250 Ln: 23 - Pg: 251 Ln: 1

Annotation:

250:23 Q. Are there any written procedures
24 regarding the opening of bank accounts
25 at ADB dating back to 2000 and 2001?
251: 1 A. That I don't know.

Pg: 252 Ln: 1 - Pg: 256 Ln: 10

Annotation:

252: 1 Q. When ADB opens a bank account
2 for a customer does it provide the
3 customer with any standardized forms or
4 templates or written instructions
5 specifying how the customer can access
6 its bank account?
7 MS. GREDD: Objection to form.
8 A. How it can access?
9 Q. How can it use its bank account.
10 A. I don't know.
11 Q. Did you ever see a notice to
12 Lazare from ADB confirming that a bank
13 account at ADB had been opened for
14 Lazare in Belgium?
15 A. If they would have been noticed
16 on paper?
17 Q. Did you ever see a written
18 notice of any kind?
19 A. I don't know.
20 Q. Do you know whether ADB provided
21 Lazare with checks for a bank account

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Pg: 252 Ln: 1 - Pg: 256 Ln: 10 continued...

Annotation:

252:22 in Belgium, written checks?
23 A. I don't know.
24 Q. Do you know if ADB provided
25 Lazare with deposit slips for an
253: 1 account in Belgium?
2 A. Deposit slips?
3 Q. Yes.
4 A. Meaning?
5 Q. Do you have an understanding of
6 what a deposit slip is?
7 A. No.
8 MS. GREDD: It's so last
9 century.
10 MR. SULLIVAN: It's your client.
11 Q. How about e-banking access
12 forms, did ADB ever provide Lazare with
13 e-banking access forms?
14 A. I don't know.
15 Q. You don't know. Would you look
16 at Exhibit 74 and tell me whether you
17 can identify the document in that
18 exhibit?
19 A. 74?
20 Q. 7-4.
21 (Plaintiff's Exhibit 74, was
22 received and marked on this date for
23 identification.)
24 Q. Can you identify this document?
25 A. It says "Agreement ADB E-Banking
254: 1 Registration Form."
2 Q. Beyond what the document says,
3 have you ever seen this form of
4 document before?
5 A. If I saw the form?
6 Q. Yes. This kind of document.
7 A. Yes.
8 Q. What is it?
9 A. It's an agreement regarding the
10 possibility to use e-banking.
11 Q. And turning to the third page,
12 do you see the name of Lazare Kaplan
13 Belgium NV, middle of the page?
14 A. Yes.
15 Q. Does that suggest to you this is
16 an agreement between ADB and LKB
17 regarding the use of e-banking at ADB?
18 A. Yes.
19 Q. And do you have any idea why ADB
20 did not provide Lazare with a similar
21 agreement regarding the use of

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Pg: 252 Ln: 1 - Pg: 256 Ln: 10 continued...

Annotation:

254:22 e-banking?
23 A. I don't know.
24 Q. Would you turn to the next
25 document 75?
255: 1 A. Yes.
2 Q. Do you recognize this document?
3 (Plaintiff's Exhibit 75, was
4 received and marked on this date for
5 identification.)
6 A. No.
7 Q. Does this document appear to you
8 to pertain to the use of secured e-mail
9 by clients with bank accounts at ADB?
10 A. It says "regulations, secured
11 e-mail, ADB position clientele."
12 Q. Are you familiar at all with the
13 availability of secured e-mail
14 services --
15 A. No.
16 Q. -- at ADB? Do you know what a
17 key fob for electronic access to a bank
18 is?
19 A. No.
20 Q. Never heard of a key fob?
21 A. No.
22 Q. Turning to the next document,
23 76.
24 (Plaintiff's Exhibit 76, was
25 received and marked on this date for
256: 1 identification.)
2 Q. Were you aware that ADB entered
3 into agreements concerning the use of
4 telefax with customers who opened bank
5 accounts at ADB?
6 A. No.
7 Q. Okay. And do you know whether
8 ADB ever offered such an agreement to
9 Lazare?
10 A. I don't know.

Pg: 269 Ln: 18 - 25

Annotation:

269:18 Q. So how many -- at the end of the
19 day how many different bank accounts
20 did Lazare -- does ADB contend Lazare
21 opened in Belgium?
22 A. One.
23 Q. One account and that account was
24 not a subaccount, it was an account?

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Pg: 269 Ln: 18 - 25 continued...

Annotation:

269:25 A. An account.

Pg: 271 Ln: 7 - Pg: 272 Ln: 19

Annotation:

271: 7 Q. So staying with Plaintiff's
8 Exhibit 128 in your big binder for the
9 moment.
10 A. 128?
11 Q. Yes. The document we were
12 discussing.
13 A. Yes.
14 Q. How many U.S. dollar accounts is
15 a customer allowed to open at ADB in
16 Belgium?
17 A. I don't know.
18 Q. Well, is it possible for Lazare
19 to have more than one U.S. dollar
20 account under the number 4334?
21 MS. GREDD: Objection to form.
22 A. I don't know.
23 Q. And other than the number 4334,
24 is there anything in this document that
25 refers to Lazare?
272: 1 A. It doesn't need to because
2 everybody knows that it's referring to
3 Lazare.
4 Q. Based on what?
5 A. Based on the four digits which
6 in the bank identifies the client.
7 Q. So my question is, apart from
8 that number, is there any entry in this
9 document that refers to Lazare?
10 MS. GREDD: Objection to form.
11 A. It all refers to Lazare.
12 Q. What else refers to Lazare?
13 A. The whole document --
14 Q. No. Identify, let's use the word
15 identify as Lazare.
16 Apart from 4334, is there any
17 entry or word in this document that
18 identifies Lazare?
19 A. No.

Pg: 273 Ln: 24 - Pg: 276 Ln: 5

Annotation:

273:24 Q. And would you turn to Exhibit
25 117, which is your June 4, 2012
274: 1 Declaration, and in paragraph 2 do you

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Pg: 273 Ln: 24 - Pg: 276 Ln: 5 continued...

Annotation:

274: 2 see where you wrote on top of page 2
3 "And thereafter established bank
4 account 4334 in Lazare's name
5 etcetera"?
6 A. Yes.
7 Q. Now, if you look at -- leave
8 this open but turn to Exhibit 23 in
9 binder 1.
10 A. Yes.
11 Q. What is the account number in
12 Exhibit 23 that's indicated there for
13 Lazare?
14 A. The account number?
15 Q. Yes. The upper right-hand
16 corner, first page?
17 A. 4345.
18 Q. And this is in August of 2001,
19 this document? Is that the date?
20 A. That's the date, yes.
21 Q. And can you explain why ADB's
22 August 2001 document indicated that
23 Lazare's account number was 4345 and
24 not 4334?
25 A. It's obvious a mistake of the
275: 1 one who writes the memo.
2 Q. Who wrote the memo?
3 A. As far as I can see the initials
4 PD are mentioned, so I would suppose
5 Peter Driesen.
6 Q. Would you turn to Exhibit 132 in
7 your big binder? Put a little place
8 mark next to 117 because we're going to
9 come back to it. Get rid of that one
10 and get the big one.
11 A. So now I'm going to --
12 Q. -- 132. And -- are you there?
13 Drawing your attention to the upper
14 right-hand corner, what is the date of
15 this document?
16 (Plaintiff's Exhibit 132, was
17 received and marked on this date for
18 identification.)
19 A. Is it February 14, 2001?
20 Q. Okay. And what is the account
21 number that's indicated to the right of
22 Lazare's name?
23 A. 4345.
24 Q. Okay. And again, is this a
25 mistake in this document, that
276: 1 reference to that account number?

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Pg: 273 Ln: 24 - Pg: 276 Ln: 5 continued...

Annotation:

276: 2 A. Yes.
 3 Q. Okay. How many digits are there
 4 in a bank account number in Belgium?
 5 A. 12.

Pg: 277 Ln: 25 - Pg: 280 Ln: 4

Annotation:

277:25 Q. So look at Exhibit 24 in binder
278: 1 1, if you would? It's right after the
 2 23 that we had opened before?
 3 A. Which?
 4 Q. 24, 24 in binder 1.
 5 A. Yes.
 6 Q. Directing your attention to the
 7 upper left-hand corner of the document,
 8 do you see the number 4334?
 9 A. Yes.
 10 Q. And alongside of it what does it
 11 say?
 12 A. Number customer.
 13 Q. What does that mean, number
 14 customer, customer number?
 15 A. So it identifies the number that
 16 identifies the accountholder with the
 17 bank number customer.
 18 Q. Is a customer number a bank
 19 account number at ADB?
 20 MS. GREDD: Objection to form.
 21 A. Can you repeat the question?
 22 Q. Does the term customer number or
 23 number customer or did the term
 24 customer number or number customer at
 25 ADB refer to a bank account number or
279: 1 something different?
 2 MS. GREDD: Objection to form.
 3 A. If I read this it refers to the
 4 bank account, yes.
 5 Q. But as a general matter, does a
 6 customer -- did a customer number at
 7 ADB constitute a bank account number or
 8 something different?
 9 MS. GREDD: Objection to form.
 10 A. We always refer to those four
 11 digits and those four digits, they
 12 represent or they make the bank
 13 identify the client, yes, as a holder
 14 of that bank account.
 15 Q. So the four digits allow the
 16 bank to identify the client. Is that

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Pg: 277 Ln: 25 - Pg: 280 Ln: 4 continued...

Annotation:

279:17 correct?
18 MS. GREDD: Objection to form.
19 A. The client with this account
20 number, yes.
21 Q. The client, which account
22 number?
23 A. The 4334.
24 Q. So we're back to 4334 is an
25 account number?
280: 1 MS. GREDD: Objection to form.
2 A. We already explained it.
3 Q. Not so good.
4 A. No?

Pg: 282 Ln: 2 - Pg: 283 Ln: 20

Annotation:

282: 2 Q. Will you turn back to Exhibit 68
3 in binder 2?
4 A. 68.
5 Q. Directing your attention to the
6 notation account number in the upper
7 left-hand side of this document.
8 A. Yes.
9 Q. What is the account number to
10 the right of the bold typeface account
11 number entry?
12 A. I will say all the numbers?
13 Q. Right.
14 A. 640043340181.
15 Q. Okay. And can you explain by
16 reference to this number what each of
17 those digits refers to or groups of
18 digits?
19 A. So the 640, as I explained
20 before, reference and clarifies that
21 it's regarding an account with ADB,
22 then we always apply a 0 and then it's
23 the four digit, which identify the
24 accountholder, then we have the 01,
25 which I explained before references to
283: 1 the fact that it concerns a U.S. dollar
2 account, and then we have the 81, which
3 it's the wrong check digit.
4 Q. What does that mean, "the wrong
5 check digit"?
6 A. Apparently the one who filled
7 out this document didn't know how to
8 calculate the check digit because there
9 exists a method to calculate it and

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Pg: 282 Ln: 2 - Pg: 283 Ln: 20 continued...

Annotation:

283:10 then he or she would automatically see
11 that the check digit was wrong.
12 Q. Well, what was the procedure at
13 ADB for assigning account numbers in --
14 in 2000 or 2001, if you know?
15 A. I don't know.
16 Q. Well, while you were employed by
17 ADB what was the procedure for
18 assigning account numbers?
19 A. While I was employed? I don't
20 know either.

Pg: 284 Ln: 22 - Pg: 291 Ln: 5

Annotation:

284:22 Do you know what account number
23 was listed on Lazare's signature cards?
24 A. Can I have a look at it? Maybe
25 we can have a look at it.
285: 1 Q. So flip forward in your existing
2 tab past the blue piece of paper.
3 A. Okay.
4 Q. It's what we call a blue slip.
5 A. Yes.
6 Q. What is the account number on
7 that document?
8 A. I see the name number appearing.
9 Q. Oh, no, another mistake. It is a
10 mistake, is that your testimony?
11 MS. GREDD: Objection to form.
12 Move to strike.
13 A. Mistake. It's the check digit
14 was wrong, but okay, it's only the
15 check digit.
16 Q. What is the point of a signature
17 card, by the way? What does the bank
18 use this for, this document?
19 A. What it uses it for?
20 Q. Yes.
21 A. So you see it says name and
22 first name and capacity, so that you
23 know if documents are being signed, who
24 could sign for the company in what
25 capacity and how many signatures should
286: 1 apply.
2 Q. And where -- as a matter of
3 general procedure, where did ADB keep
4 or maintain signature cards signed by
5 customers?
6 A. Where?

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Pg: 284 Ln: 22 - Pg: 291 Ln: 5 continued...

Annotation:

286: 7 Q. Where in the bank.
8 A. As I told you before, it would
9 be in the client file which would be at
10 this particular time, be at the
11 Secretarial Generale. If we talk about
12 now it would be at the administrative
13 department within the credit
14 department.
15 Q. And would ADB, as a matter of
16 practice or procedure, would ADB
17 authorize a transaction for a
18 particular credit facility if the
19 number indicated on the transaction
20 documents didn't match the bank account
21 number on the signature cards?
22 MS. GREDD: Objection to form.
23 A. I cannot answer that because I
24 -- I am -- I don't know how these
25 things work within the bank, so...
287: 1 Q. Well, do you know whether this
2 signature card that you are looking at
3 was ever used by ADB in connection with
4 any payments or disbursements requested
5 by Lazare under its credit facility?
6 A. You mean if we would --
7 Q. -- have consulted this signature
8 card --
9 A. -- to see who is allowed? That
10 I also don't know. I don't know.
11 Q. Do you know whether any
12 transaction requested by Lazare was
13 rejected because the account number on
14 the signature card didn't match the
15 bank account number assigned to Lazare
16 at ADB?
17 A. We have to go a bit -- we have
18 to go back in time. If you want to make
19 payment transactions, then the account
20 should exist, of course, yeah? And so
21 this would never appear in the system
22 because the system would bounce it
23 because of the wrong check digit and
24 would make the correction.
25 So it's wrong on the card but it
288: 1 will never -- this account has -- with
2 this check digit was not Lazare's
3 account.
4 Q. When did you learn for the first
5 time that the check digits on this
6 signature card document and the other

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Pg: 284 Ln: 22 - Pg: 291 Ln: 5 continued...

Annotation:

288: 7 two documents that you identified was
 8 incorrect?
 9 A. I don't remember.
 10 Q. Was it before or after the
 11 commencement of Lazare's lawsuit
 12 against ADB and KBC?
 13 A. I suppose after.
 14 Q. Do you know one way or another?
 15 A. I don't think I was going to
 16 check Lazare's client file before, no.
 17 Q. Do you know whether the bank
 18 records pertaining to the Lazare credit
 19 facility contain a note of any kind
 20 referencing the mistake in the check
 21 digits on the documents you've
 22 identified?
 23 A. I don't know but I don't think
 24 so because we would not pay too much
 25 attention to the fact that it's wrong
 289: 1 because it's only the check digits and
 2 the system would correct it itself,
 3 so...
 4 Q. What does that mean "the system
 5 would correct itself?" What signature
 6 cards did ADB use to verify Lazare's
 7 payment requests?
 8 A. What signature cards, payment
 9 request?
 10 Q. If this signature card in front
 11 of you has the wrong check digit on it
 12 what signature card did the bank use?
 13 A. I don't know, because I said I
 14 don't know what was the practice in the
 15 bank while these transactions happened,
 16 if they would check the signature card,
 17 yes or no. So I cannot reply to that.
 18 Q. And prior to consulting or
 19 becoming aware of the mistake in the
 20 check digit in connection with Lazare's
 21 lawsuit against ADB and KBC, you were
 22 not aware at any time of the mistake in
 23 the check digit in the different
 24 documents you've identified?
 25 MS. GREDD: Objection to form.
 290: 1 A. I was not aware. I said how can
 2 you be aware of what is the content of
 3 a file if you did not consult the file?
 4 Q. That's very metaphysical.
 5 MS. GREDD: It's been a very
 6 metaphysical day.

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Pg: 284 Ln: 22 - Pg: 291 Ln: 5 continued...

Annotation:

290: 7 Q. Would you turn to tab 52, which
8 is going to be in binder 1,
9 unfortunately? Do you recognize this
10 document?
11 A. Yes, I do.
12 Q. What is this document?
13 A. It says in the title "Two months
14 notice of termination of uncommitted
15 credit facility."
16 Q. This is a December 28, 2009
17 letter from Antwerp Diamond Bank to
18 Lazare?
19 A. Yeah.
20 Q. Correct?
21 A. Yeah.
22 Q. And in this document Antwerp
23 Bank gives notice of ADB's election to
24 terminate the Lazare credit facility,
25 correct?
291: 1 A. Yes.
2 Q. And the notice is pursuant to
3 Article 10 of the general credit
4 granting provisions?
5 A. It says so, yes.

Pg: 291 Ln: 25 - Pg: 292 Ln: 10

Annotation:

291:25 Q. Were you consulted about the
292: 1 decision to terminate the Lazare credit
2 facility before this letter was sent to
3 Lazare?
4 A. Consulted?
5 Q. Yes, by anyone at ADB.
6 MS. GREDD: Answer that "yes" or
7 "no", but I would caution you not to
8 reveal anything that would constitute
9 privileged information.
10 A. I don't know.

Pg: 292 Ln: 25 - Pg: 294 Ln: 13

Annotation:

292:25 Q. Do you know who prepared this
293: 1 document?
2 A. Yes.
3 Q. Who prepared the document?
4 A. It's one of our lawyers.
5 Q. In-house lawyers?
6 A. No. Outside.

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Pg: 292 Ln: 25 - Pg: 294 Ln: 13 continued...

Annotation:

293: 7 Q. Outside lawyers? Who is the
8 lawyer who prepared it?
9 THE WITNESS: Can I answer that
10 question?
11 MS. GREDD: You can answer the
12 name.
13 A. Paul Michaels.
14 Q. And who made the decision to
15 terminate the credit facility?
16 A. Who made --
17 Q. Who at ADB made the decision?
18 A. As I explained before, the
19 Credit Committee.
20 Q. And directing your attention to
21 the second page of this exhibit --
22 A. Yes.
23 Q. -- you see the reference in the
24 first box balance and overdraft
25 account, and an account number?
294: 1 A. Yes.
2 Q. Are the check digits in that
3 account number mistaken?
4 A. I think it's a typo with a 1 and
5 the 4.
6 Q. I'm sorry. I don't understand
7 your testimony. Are you referring to
8 the last two --
9 A. The check digits.
10 Q. 18?
11 A. 18, yes.
12 Q. And what should those digits be?
13 A. If I remember it correctly, 48.

Pg: 306 Ln: 13 - Pg: 312 Ln: 7

Annotation:

306:13 Q. Would you turn to -- turn back
14 to your June 14, 2012 Declaration,
15 which is -- that's a good question.
16 MS. GREDD: 117.
17 MR. SULLIVAN: What is it?
18 MS. GREDD: 117.
19 Q. Directing your attention to
20 paragraph 14 of your Declaration and
21 the last sentence in particular where
22 you wrote "And once again, those
23 transactions were mirrored in the
24 Lazare Antwerp Bank account, which
25 showed credits of \$142,504.95 and
307: 1 \$2,500,000 posted on January 29, 2008".

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Pg: 306 Ln: 13 - Pg: 312 Ln: 7 continued...

Annotation:

307: 2 Do you see where you wrote that?
3 A. Yeah.
4 Q. And can you explain what you
5 meant when you said those transactions
6 were mirrored in the Lazare Antwerp
7 Bank account?
8 A. It's what we discussed before
9 while discussing the zero balance
10 account, it's always the same things
11 that at the end of the day the balance
12 would become zero and then the funds
13 would go -- would be automatically
14 transferred to the account of the
15 client with ADB.
16 Q. Now, you're referring in this
17 paragraph to a transfer or sweep of two
18 credits into the Lazare Antwerp Bank
19 account, that is the prior sentence. Do
20 you see that?
21 A. Yes.
22 Q. And you're saying that Lazare's
23 KBC New York account reflected those
24 two credits representing transfers
25 received from third parties.
308: 1 So is your testimony that with
2 respect to those credits or with
3 respect to credits, Lazare's bank
4 account in Belgium mirrored the
5 activity in Lazare's bank account at
6 KBC New York? Is that what you're
7 stating in this Declaration?
8 A. No. I'm stating that. So in the
9 zero balance account apparently at that
10 date two payments came in. So it's a
11 positive balance that would be
12 transferred at the end of the day to
13 the account with ADB and so indeed, the
14 outstanding withdrawals under the
15 credit facility with ADB would be
16 reduced with the same amount.
17 Q. And where do you derive your
18 understanding of how that procedure --
19 of that procedure?
20 A. Are we going again to the
21 technical things of which I already --
22 Q. Yes.
23 A. -- told you I don't know 35
24 times that I don't know exactly how
25 operationally it worked, but we could
309: 1 see maybe if we look at account

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Pg: 306 Ln: 13 - Pg: 312 Ln: 7 continued...

Annotation:

309: 2 statements of Antwerp Diamond Bank an
3 account of Lazare, we will see that it
4 will be the plus we will see on the
5 account statement reducing the
6 outstanding balance.
7 Q. Did you prepare -- did you write
8 this Declaration yourself, Ms. Snyers?
9 A. No.
10 Q. Was this written for you by
11 someone else?
12 A. Written for me?
13 MS. GREDD: Objection to form.
14 A. Written for me?
15 Q. Was this prepared by someone
16 other than you?
17 A. Written for me, I can -- I can
18 read for myself and so these things
19 normally I think are drafted by counsel
20 and then if you read it, it's indeed --
21 changes are being made and then it
22 becomes indeed the document that I
23 signed.
24 Q. And who drafted this document?
25 MS. GREDD: Objection to form.
310: 1 Asked and answered.
2 A. Mrs. Gredd.
3 Q. And is it correct that all of
4 the Declarations that you submitted in
5 this case, that would be dated April
6 24, 2014, July 23, 2012 --
7 A. Is this the one that we were --
8 Q. -- June 14, 2012 and April 4,
9 2012, the four Declarations?
10 A. Can I see?
11 Q. I can give you the account
12 numbers, the exhibit numbers. It would
13 be 115, 117, 119 and 120.
14 A. 119 and 120, we didn't --
15 (Plaintiff's Exhibit 119, was
16 received and marked on this date for
17 identification.)
18 (Plaintiff's Exhibit 120, was
19 received and marked on this date for
20 identification.)
21 Q. Would you take a look at those,
22 please?
23 A. Because 115 and 117 we already
24 -- yeah. What was the question about
25 these?
311: 1 Q. Did Ms. Gredd prepare all of

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Pg: 306 Ln: 13 - Pg: 312 Ln: 7 continued...

Annotation:

311: 2 those Declarations for your signature?
3 A. Prepare, do you mean drafted so
4 that I could review it and that I would
5 hope it was the document that I wanted
6 to sign?
7 Q. Yes.
8 A. I still have to look at.
9 MS. GREDD: And Chris, your
10 question includes all four
11 Declarations, including the first going
12 through the last?
13 MR. SULLIVAN: Yes. The four
14 that were submitted in this lawsuit.
15 A. No, they were not.
16 Q. I'm sorry?
17 A. No, they were not.
18 Q. Was the first one drafted by
19 Cynthia Okrent?
20 A. Indeed, yes.
21 Q. And the second, third and the
22 fourth were drafted by Ms. Gredd?
23 A. Yes.
24 Q. Did you make changes in any of
25 the Declarations before you signed
312: 1 them?
2 A. I suppose so, yes.
3 Q. Well, do you remember doing so?
4 A. I don't remember exactly what I
5 will have changed but I know in my
6 nature I will have changed something,
7 yes.

Pg: 321 Ln: 3 - 24

Annotation:

321: 3 Q. And would you look at Exhibit
4 115 in your big binder? And this is
5 your, once again, your April 4, 2012
6 Declaration that we've been discussing
7 earlier. Just turn to paragraph 25,
8 which is on page 9, I believe.
9 Do you see where you wrote,
10 "Virtually all documents relating to
11 Lazare and Lazare Belgium that are in
12 Antwerp Bank's custody or control are
13 located in Belgium, while documents
14 relating to DD and KT that are in
15 Antwerp's bank custody or control are
16 located in Belgium."
17 Have you seen or been involved

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Pg: 321 Ln: 3 - 24 continued...

Annotation:

321:18 in ADB's production of documents in
19 this case?
20 A. In this case?
21 Q. In our litigation.
22 A. Yes.
23 Q. You have?
24 A. Yes.

Pg: 322 Ln: 3 - 18

Annotation:

322: 3 Q. Are you aware -- withdrawn. Are
4 you aware that over 70% of the pages
5 that ADB produced in this lawsuit came
6 from the files of the ADB New York
7 office and its employees?
8 MS. GREDD: Objection to form.
9 Q. You can answer.
10 A. I don't know and it sounds very
11 strange to me.
12 Q. Why does it sound strange to
13 you?
14 A. Because I have digging from the
15 cellar to, I don't know, the sixth
16 floor for documentation in this regard.
17 So it was me, not here, but in Antwerp,
18 yes.

Pg: 324 Ln: 3 - Pg: 331 Ln: 13

Annotation:

324: 3 Q. Well, when you wrote in your
4 sworn Declaration that virtually all
5 documents relating to Lazare are in --
6 are located in Belgium?
7 A. Yes.
8 Q. Is that a true statement?
9 A. Yes.
10 Q. And you believe it to be true?
11 A. Yes.
12 Q. How do you explain then that
13 over 70% of the documents that were
14 produced came from the New York rep
15 office --
16 MS. GREDD: Objection to form.
17 Q. -- of ADB?
18 A. That I cannot believe.
19 Q. You don't believe it. Okay.
20 A. No.
21 Q. Would you look at Exhibits 90,

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Pg: 324 Ln: 3 - Pg: 331 Ln: 13 continued...

Annotation:

324:22 the exhibits that run from 90 to 100 in
23 binder 2?
24 MS. GREDD: Are you asking the
25 witness to look at all --
325: 1 Q. No. I'm asking you, I don't need
2 you to read the documents. I want for
3 you to flip through the Exhibits 90 to
4 100, tell me whether you were involved
5 in producing these documents in the
6 course of this litigation?
7 I'll represent to you that these
8 documents came from the files of Marc
9 Weiss in New York.
10 A. It's possible but maybe I
11 produced the same in my file. I don't
12 know. I don't know how many thousands,
13 maybe ten thousands of pages I have
14 produced. So it seems very strange that
15 Marc would have more papers than in
16 head office Antwerp.
17 Q. And what was the basis of the
18 statement in paragraph 25 of your
19 Declaration that all documents relating
20 to DD and KT are located in Belgium?
21 These are documents in ADB's
22 possession, custody or control?
23 MS. GREDD: There I'm going to
24 object and say that we are beyond the
25 scope of this deposition, which is not
326: 1 related to DD and KT or document
2 production or preservation issues.
3 MR. SULLIVAN: Okay. We'll put
4 it on the list --
5 MS. GREDD: On the list.
6 MR. SULLIVAN: -- for the Judge.
7 Q. If I direct your attention to
8 Exhibit 130, big binder.
9 (Plaintiff's Exhibit 130, was
10 received and marked on this date for
11 identification.)
12 Q. I'll represent to you that this
13 document, the documents in this
14 exhibit, Ms. Snyers, come from Diana
15 David's files in New York.
16 A. Okay.
17 Q. Do you know who Diana David is?
18 A. Yes.
19 Q. Who is she?
20 A. She was working at New York rep
21 office more I think in the

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Pg: 324 Ln: 3 - Pg: 331 Ln: 13 continued...

Annotation:

326:22 administrative role.
23 Q. Do you recognize the document
24 that begins on the second page to be a
25 Borrowing Base Certificate?
327: 1 A. I recognize the document. If I
2 can -- everything on the document,
3 that's another thing. But I recognize
4 it, yes.
5 Q. I'm only asking about the form
6 of the document. Is this the type of
7 document that Lazare prepared and
8 submitted to ADB?
9 A. I would think so, yes.
10 Q. And was this type of document,
11 this Borrowing Base Certificate, kept
12 in New York, in the rep office of ADB
13 or in ADB Belgium?
14 A. That I don't know but I would
15 think -- if it's kept in New York then
16 I don't know but I think it would have
17 also been kept, if it's also kept in
18 New York in the head office, yes.
19 Q. Well, the document is prepared
20 in English, correct?
21 A. Yes.
22 Q. And do you know how frequently
23 Lazare submitted Borrowing Base
24 Certificates to ADB?
25 A. I don't know as from which
328: 1 period they submitted it but I think
2 it's referred to as monthly Borrowing
3 Base Certificates.
4 Q. Monthly?
5 A. Yes.
6 Q. And these documents --
7 withdrawn.
8 Would you turn to the next
9 exhibit, 131? I'll represent to you
10 that Plaintiff's Exhibit 131 was
11 produced by ADB by Oakley Champine's
12 files in the New York office of ADB.
13 (Plaintiff's Exhibit 131, was
14 received and marked on this date for
15 identification.)
16 A. Okay.
17 Q. And do you see by reference to
18 the first page of this document?
19 A. First page, yes.
20 Q. You see information regarding
21 Lazare Kaplan Belgium and DD and KT,

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Pg: 324 Ln: 3 - Pg: 331 Ln: 13 continued...

Annotation:

328:22 very first page?
23 A. I will first have a look at it,
24 okay?
25 (Whereupon, the Deponent reviews
329: 1 the document.)
2 A. Yes.
3 Q. Do you see the first page of
4 this document sets forth information
5 relating to Lazare Kaplan Belgium and
6 the companies known as DD Manufacturing
7 and KT Collection?
8 A. Where do you see the reference
9 to Lazare Kaplan Belgium?
10 Q. Let's stay with DD and KT for
11 the moment. Do you see the references
12 on the first page to DD Manufacturing,
13 the first paragraph, first e-mail,
14 second e-mail, first and second
15 paragraphs, third e-mail, middle
16 paragraph all setting forth the
17 information pertaining to DD
18 Manufacturing?
19 A. I see DD. KT, I don't know.
20 Q. Let's stay with DD for the
21 moment.
22 A. Okay.
23 Q. My question is simply, can you
24 explain your statement in your
25 Declaration that all documents relating
330: 1 to DD that are in Antwerp Diamond
2 Bank's possession, custody or control
3 are located in Belgium because this
4 document came from New York?
5 MS. GREDD: Objection to form.
6 A. I must think that I'm talking
7 about the DD side of the matter. This
8 is relating to LKI, so I would think
9 this will be in the LKI file, because
10 it's LKI consolidated Borrowing Base
11 Certificate. It's not because another
12 client of the bank is named that the
13 file would be or the papers would be
14 all in New York. No. So I don't
15 understand what you mean.
16 Q. Well, this document is sent by
17 Mr. Oakley Champine to Mr. Philippe
18 Loral?
19 A. In connection with, I suppose if
20 I read it correctly, "I made the change
21 below as you suggested", so I suppose

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Pg: 324 Ln: 3 - Pg: 331 Ln: 13 continued...

Annotation:

330:22 he's preparing some kind of memo in the
23 LKI matter, and so he references other
24 people or other companies, yeah, that's
25 possible.
331: 1 Q. And does this document indicate
2 to you that Mr. Champine and Mr. Loral
3 had information that pertained to DD
4 Manufacturing, even if it's in the
5 context of a document discussing
6 Lazare?
7 MS. GREDD: Objection to form
8 and we are now getting, once again,
9 beyond the scope of this deposition
10 since you are focusing, as you've tried
11 to do repeatedly, on DD and KT rather
12 than the issues that the Court has
13 permitted.

Pg: 332 Ln: 18 - Pg: 334 Ln: 13

Annotation:

332:18 Q. Was FLEXCUBE available in the
19 office of ADB at any time during the
20 relevant period of time?
21 A. I cannot say for sure. Possibly.
22 Q. And what exactly does FLEXCUBE
23 allow one to access? What documents?
24 What type of documents?
25 A. It's not documents.
333: 1 Q. What information --
2 A. It's account information, about
3 account and movement in the account,
4 but FLEXCUBE has many options of which
5 I only know very few because I am -- I
6 do not have access to all the
7 possibilities of FLEXCUBE.
8 Q. And when you say it allows
9 access to accounts, can someone using
10 FLEXCUBE print out bank statements of a
11 customer of ADB?
12 MS. GREDD: Objection to form.
13 A. Print out bank statements?
14 Q. Or access bank statements?
15 A. No. Because the bank statements
16 you saw, they have a special format. So
17 you can see or you can see what
18 activity appears in the account, yes.
19 Q. And, I'm sorry, I'm not
20 understanding your answer. FLEXCUBE
21 allows one to see the activity

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Pg: 332 Ln: 18 - Pg: 334 Ln: 13 continued...

Annotation:

333:22 appearing in the account but not the
23 bank statement pertaining to the
24 account?
25 MS. GREDD: Objection to form.
334: 1 A. I want to make it very clear.
2 So you have the bank statement that is
3 produced, every time there is a
4 movement in the account and it's sent
5 to the client, if I want to see --
6 let's say I have access to FLEXCUBE and
7 I want to see what is, let's say, debit
8 and credit movement on the Lazare
9 Kaplan account in, I don't know, a
10 certain period in time. I don't have
11 the bank statement, so I would go into
12 the FLEXCUBE system and I would have
13 that information available.

Pg: 334 Ln: 22 - Pg: 336 Ln: 10

Annotation:

334:22 Q. Turn to Exhibit 110, this is no.
23 2 binder.
24 A. That is the second one?
25 Q. The second binder, at the very
335: 1 end, almost at the very end. This
2 appears to be an e-mail from --
3 redacted at ADB to Diana David at ADB.
4 Do you see that at the top of the page?
5 A. It's sent by someone, yeah, to
6 Diana. Yes, I see.
7 Q. And the date is December 6,
8 2006?
9 A. December 6, yes.
10 Q. And the subject is "monthly PDF
11 file customers ADB New York"?
12 A. Yes.
13 Q. Directing your attention to the
14 last paragraph that reads, "Another
15 option is that you go onto FLEXCUBE
16 yourself and print the statements one
17 by one yourselves from the New York
18 office directly to a local printer." Do
19 you see that?
20 A. Yes.
21 Q. Does that indicate to you that a
22 person using FLEXCUBE could, in fact,
23 print bank statements of customers of
24 ADB?
25 A. I cannot give any opinion about

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Pg: 334 Ln: 22 - Pg: 336 Ln: 10 continued...

Annotation:

336: 1 that because I -- according to my
 2 recollection, it's not possible to
 3 print the statements as they are
 4 produced or issued to the client. I
 5 don't know statements, if they see
 6 statements meaning that you can have an
 7 overview of debit and credit in the
 8 account, possibly, but I don't know if
 9 they could do so in New York. I don't
 10 know.